

CONSTRUCTION CONTRACT AGREEMENT

(Prime Contract / Direct Contract with Owner — Stipulated Sum, Cost-Plus, or GMP)

General Conditions and Supplementary Conditions Included

ARTICLE 1 — PARTIES

This Construction Contract Agreement (the "Agreement" or "Contract") is made and entered into as of *[Effective Date]* (the "Effective Date"), by and between the parties identified below. Each party acknowledges receipt of good and valuable consideration, the sufficiency of which is acknowledged.

1.1 Contractor

Legal Name: *[Contractor Legal Entity Name]*

Entity Type: *[Corporation / LLC / Partnership / Sole Proprietorship]*

State of Formation: *[State]*

Federal EIN: *[EIN]*

Principal Office: *[Street, City, State, ZIP]*

Project Office (if different): *[Street, City, State, ZIP]*

Authorized Representative: *[Name, Title]*

Phone / Email: *[Phone]* / *[Email]*

Contractor License No.: *[License Number]*

License Classification(s): *[e.g., Class A General / Class B Building / Class C-10 Electrical / etc.]*

Specialty Designations (if any): *[e.g., HAZWOPER, Asbestos, Lead, Solar, etc.]*

DBE / MBE / WBE / SDVOSB Status (if any): *[Designation and certifying authority]*

1.2 Owner

Legal Name: *[Owner Legal Entity Name or Individual Name]*

Entity Type: *[Individual / Corporation / LLC / Partnership / Trust / Governmental Entity]*

State of Formation (if entity): *[State]*

Federal EIN (if entity): *[EIN]*

Principal Office / Mailing Address: *[Street, City, State, ZIP]*

Authorized Representative: *[Name, Title]*

Phone / Email: *[Phone]* / *[Email]*

Owner's Designated Project Representative for Day-to-Day Decisions: *[Name, Title, Phone, Email]*

Limits on Owner's Representative Authority: *[State any monetary or scope limits on representative's authority to bind Owner]*

1.3 Parent Company / Guarantor (Optional)

If a parent company, affiliate, or third party is providing a payment or performance guaranty in support of this Contract, complete the following. If none, mark "Not Applicable."

Guarantor Legal Name: *[Guarantor Name or N/A]*

Relationship to Owner / Contractor: *[Parent / Affiliate / Other]*

Address: *[Street, City, State, ZIP]*

Form of Guaranty: Payment Guaranty Performance Guaranty Completion Guaranty

Guaranty Cap (if any): \$ *[Cap Amount or "Unlimited"]*

A separate guaranty instrument shall be executed and attached as **Exhibit I**.

1.4 Surety (If Bonds Required)

Surety Company: *[Surety Name]*

A.M. Best Rating: *[Rating, minimum A-VII required unless otherwise approved]*

U.S. Treasury Listing (T-Listed) Underwriting Limit: \$ *[Amount]*

Bond Producer / Agent: *[Agent Name, Address, Phone]*

1.5 Architect / Engineer of Record (If Applicable)

Firm: *[Firm Name]*

License No.: *[License No., State]*

Address: *[Street, City, State, ZIP]*

Principal in Charge: *[Name, Title]*

Scope of Services: *[Design / Construction Administration / Both / Other]*

The Architect / Engineer is not a party to this Agreement, but is identified for reference and notice purposes.

ARTICLE 2 — THE PROJECT

2.1 Project Identification

Project Name: [Project Name]

Project Number (Owner's): [Owner Project No.]

Project Number (Contractor's): [Contractor Project No.]

Site Address: [Street, City, County, State, ZIP]

Legal Description: [Legal description per recorded deed]

Lot / Block / Parcel ID (APN): [Lot, Block, Parcel ID]

Recorded Deed Reference: [Book/Page or Instrument No.]

Project Type: New Construction Addition Renovation/Remodel Tenant Improvement Infrastructure Other: [Describe]

Occupancy Type / Use Group: [IBC Use Group, e.g., B, R-2, etc.]

Approximate Floor Area: [Square Feet]

2.2 Scope of Work and Contract Documents

Contractor shall furnish all labor, supervision, materials, equipment, tools, transportation, services, and incidentals necessary to fully and finally complete the Work described in the Contract Documents. The "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all labor, materials, equipment, and services provided or to be provided by Contractor to fulfill Contractor's obligations.

The Contract Documents consist of, and the Work is defined by, the following, listed in order of precedence (where conflict exists, the document higher on the list controls unless a more specific term in a lower-ranked document is reasonably reconcilable):

1. This Agreement, including all Exhibits;
2. Executed Change Orders and Construction Change Directives;
3. Addenda issued before execution of this Agreement;
4. Supplementary Conditions, if any;
5. Specifications (as listed in **Exhibit H**);
6. Drawings (as listed in **Exhibit H**);
7. Other documents enumerated in this Agreement.

Drawings (Identification): The Drawings prepared by [Architect/Engineer Firm], sheets [Sheet Range, e.g., A0.00 through E8.20], dated [Drawing Set Date], revision [Latest Revision No. and Date]. A complete drawings register is attached as **Exhibit H**.

Specifications (Identification): The Project Manual / Specifications prepared by [Specifier] , divisions [CSI Divisions Included, e.g., 00 through 33] , dated [Spec Date] , revision [Latest Revision No. and Date] . A complete specifications register is attached as **Exhibit H**.

Addenda Issued Pre-Execution:

Addendum No.	Date	Pages	Subject
[No.]	[Date]	[Pages]	[Subject]
[No.]	[Date]	[Pages]	[Subject]

Items Expressly Excluded from the Work:

[Enumerate items, scopes, and conditions excluded. Examples: hazardous materials abatement; off-site improvements; FF&E; owner-furnished items; testing and inspection fees other than those required for Contractor's means and methods; tap and impact fees; etc.]

2.3 Schedule and Time of the Essence

Time is of the essence of this Contract. Contractor shall achieve the following dates and milestones:

Event	Date / Duration
Notice to Proceed (NTP)	[Date]
Date of Commencement	[Date]
Total Contract Time (calendar days from NTP)	[Days]
Substantial Completion	[Date]
Final Completion	[Date or "within 30 days of Substantial Completion"]

Interim Milestones:

Milestone	Description	Required Date	Liquidated Damages Apply?
[Milestone 1]	[Description]	[Date]	[Yes/No]

[Milestone 2]	[Description]	[Date]	[Yes/No]
[Milestone 3]	[Description]	[Date]	[Yes/No]

Liquidated Damages: If Substantial Completion is not achieved by the date stated above, as that date may be adjusted by written Change Order, Contractor shall pay Owner \$ [Per-Diem Amount] per calendar day as liquidated damages (not as a penalty), the parties agreeing that actual damages would be difficult to ascertain. Liquidated damages shall not exceed [Cap, e.g., 10% of Contract Price] in the aggregate. Owner may deduct accrued liquidated damages from payments otherwise due Contractor.

Jurisdictional Note: Some states scrutinize liquidated damages clauses and may treat excessive amounts as unenforceable penalties. The per-diem amount should be a good-faith pre-estimate of Owner's actual delay damages.

Early Completion Incentive (Optional): If Substantial Completion is achieved before [Date] , Owner shall pay Contractor \$ [Bonus per day or lump sum] , capped at \$ [Cap] .

CPM Schedule: Contractor shall, within [Number] days after NTP, deliver a baseline critical path method (CPM) schedule in [Primavera P6 / MS Project / Other] format, with activity-level detail. Contractor shall update the schedule monthly and submit narrative reports with each Application for Payment, identifying actual progress, deviations, recovery plans, and time-impact analyses. The baseline and approved updates are incorporated as **Exhibit C**.

2.4 Working Hours and Site Access

Standard Working Hours: [e.g., Monday–Friday, 7:00 a.m. to 5:00 p.m.] , excluding the following holidays: [List] . Work outside standard hours requires Owner's prior written approval, except in emergencies.

Noise / Dust / Vibration Restrictions: [Reference applicable municipal noise ordinance and any project-specific restrictions] .

Site Access: Owner shall provide Contractor with reasonable access to the Site during working hours. Restricted areas: [Describe any tenant-occupied or restricted areas, security protocols, badging] .

Site Logistics Plan: Contractor shall submit and maintain a site logistics plan addressing material laydown, hoisting, deliveries, parking, dumpster placement, temporary utilities, and pedestrian / traffic protection. The logistics plan is subject to Owner's reasonable approval and any landlord, association, or municipal requirements.

2.5 Owner-Furnished Items

Owner shall furnish, at Owner's sole expense and on a timely basis consistent with the Project schedule, the following:

[List of Owner-furnished materials, equipment, services, surveys, geotechnical reports, environmental reports, utility easements, permits Owner is responsible for, etc.]

Delay in delivery of Owner-furnished items shall be a basis for an equitable adjustment to the Contract Time and, if and to the extent Contractor incurs increased cost, to the Contract Price.

ARTICLE 3 — CONTRACT PRICE

3.1 Pricing Method (Select One)

- Stipulated Sum (Lump Sum)** — Section 3.2 applies.
- Cost of the Work Plus Fee** — Section 3.3 applies.
- Cost of the Work Plus Fee with Guaranteed Maximum Price (GMP)** — Section 3.3 and 3.4 apply.
- Time and Materials** — Section 3.5 applies.
- Unit Price** — Section 3.6 applies.
- Hybrid** — *[Describe combination, e.g., GMP with T&M allowances]*

3.2 Stipulated Sum

The Stipulated Sum is \$ *[Amount]* (*[Amount in Words]*) (the "Contract Price"), subject to adjustment as provided in this Agreement. The Stipulated Sum includes all allowances, unit prices, and contingencies stated below.

3.3 Cost of the Work Plus Fee

Cost of the Work means the costs reasonably and necessarily incurred by Contractor in the proper performance of the Work, paid by Contractor to third parties and / or representing actual direct cost to Contractor, including:

- a. **Direct Labor:** Wages of construction workers directly employed by Contractor, payroll taxes, workers' compensation insurance, and customary fringe benefits;
- b. **Subcontractor Costs:** Amounts paid to subcontractors in accordance with the requirements of the subcontracts and this Agreement;
- c. **Materials and Equipment Incorporated:** Costs of materials and equipment incorporated, or to be incorporated, into the completed Work, including reasonable transportation and storage;
- d. **Construction Equipment and Tools:** Rental costs of construction equipment used at the Site at rates not exceeding those approved by Owner; costs of small tools owned by Contractor not exceeding \$ *[Threshold]* per item;
- e. **Site Office and Supervision:** Wages and customary benefits of Contractor's on-site supervisory and administrative personnel (Project Manager, Superintendent, Project Engineer, Site Safety Officer) when stationed at the Site or directly servicing the Project;
- f. **Premiums for Project-Specific Insurance and Bonds:** When required by the Contract Documents and not included in Contractor's Fee;
- g. **Permits, Fees, and Royalties:** Sales, use, and similar taxes related to the Work and properly attributable thereto; permit, license, and inspection fees; royalties; deposits lost for

reasons other than Contractor's fault;

- h. **Losses and Expenses:** Reasonable losses and expenses not compensated by insurance, sustained by Contractor in the performance of the Work, provided they did not result from the fault or negligence of Contractor;
- i. **Other:** Other costs incurred in the performance of the Work if approved in advance by Owner in writing.

Costs Not to Be Reimbursed (the "Non-Reimbursable Costs") — these are deemed included in Contractor's Fee and shall not be charged as Cost of the Work:

- a. Salaries and expenses of Contractor's personnel at the principal or branch office (other than the Site office);
- b. General overhead expenses, including rent, utilities, accounting, legal, and administrative costs not allocated to the Project;
- c. Costs caused by Contractor's negligence, fault, or failure to fulfill a specific responsibility under the Contract;
- d. Costs that would cause the GMP, if any, to be exceeded;
- e. Costs of correcting defective or non-conforming Work, including warranty work;
- f. Costs of materials and equipment stored away from the Site without prior written Owner approval and without proper insurance and security;
- g. Premiums for Contractor's corporate insurance not specifically required for the Project;
- h. Interest on capital employed.

Contractor's Fee:

- Fixed lump sum of \$ *[Amount]* ;
- A percentage of *[%]* of the Cost of the Work;
- Sliding scale: *[Describe brackets, e.g., 6% on first \$5M, 4% on next \$5M, etc.]* ;
- Other: *[Describe]* .

The Fee shall be billed pro-rata with each Application for Payment as the Cost of the Work is incurred, based on percentage of completion.

Change Orders — Effect on Fee: Adjustments to the Cost of the Work resulting from Change Orders shall increase or decrease the Fee at the same percentage rate (if percentage-based) or as separately negotiated (if fixed).

Audit Rights: Owner and its representatives shall have the right to audit all books, records, payrolls, invoices, and other documents supporting the Cost of the Work, upon reasonable notice and during normal business hours, for the duration of the Project and for a period of *[Number, typically 3]* years thereafter.

3.4 Guaranteed Maximum Price (GMP)

If this Agreement uses a GMP, Contractor guarantees that the sum of the Cost of the Work and Contractor's Fee will not exceed \$ [GMP Amount] ([GMP in Words]) (the "Guaranteed Maximum Price" or "GMP"), subject to adjustment by Change Order.

GMP Includes: All Cost of the Work, Contractor's Fee, contingencies, and allowances as stated in the GMP exhibit.

Contractor Contingency: \$ [Amount] , available to Contractor for unforeseen costs within the original scope, subject to Owner notification. Contractor Contingency does *not* cover scope additions, owner-directed changes, or Contractor errors / omissions.

Owner Contingency: \$ [Amount] , available to Owner for scope additions, design refinement, or owner-directed changes.

Savings Sharing: If at Final Completion the sum of the Cost of the Work plus Contractor's Fee is less than the GMP, the savings shall be allocated:

- 100% to Owner;
- Shared — [%] to Owner, [%] to Contractor;
- Other: [Describe] .

Costs in excess of the GMP, except as adjusted by Change Order, shall be borne solely by Contractor without reimbursement.

3.5 Time and Materials

Labor billed at the rates set forth in **Exhibit B-1**, plus markup of [%] on materials and [%] on equipment rentals. Overtime, weekend, and double-time premiums billed as follows:

Category	Standard Rate	Overtime (over 8 hr / day or 40 hr / wk)	Sunday / Holiday	Double Time
Foreman / Supervisor	\$ [Rate]	1.5x	2.0x	2.0x
Journeyman	\$ [Rate]	1.5x	2.0x	2.0x
Apprentice	\$ [Rate]	1.5x	2.0x	2.0x
Laborer	\$ [Rate]	1.5x	2.0x	2.0x

Equipment rental rates shall not exceed the latest edition of the [e.g., AED Green Book / Blue Book] rates. Materials shall be billed at invoice cost plus the markup stated above. Contractor shall maintain daily T&M tickets, signed by Owner's representative at Site, supporting each invoice.

3.6 Unit Prices

The following unit prices shall apply to additions to or deletions from the Work for the items listed. Unit prices include all labor, materials, equipment, overhead, profit, and bond. Unit prices shall apply only within the quantity range stated; quantities outside this range require renegotiation.

Item	Unit	Unit Price (Add)	Unit Price (Deduct)	Applicable Quantity Range
[Item]	[Unit]	\$ [Price]	\$ [Price]	[Range]
[Item]	[Unit]	\$ [Price]	\$ [Price]	[Range]

3.7 Allowances

The Contract Price includes the following allowances. If actual cost exceeds the allowance, the Contract Price shall be adjusted by Change Order for the excess plus applicable markup and bond; if actual cost is less, the Contract Price shall be reduced by the underrun (without markup adjustment).

Allowance Item	Allowance Amount	Scope Covered	Decision-By Date
[Item, e.g., Flooring]	\$ [Amount]	[Material only / Material & labor]	[Date]
[Item, e.g., Lighting Fixtures]	\$ [Amount]	[Material only / Material & labor]	[Date]
[Item, e.g., Appliances]	\$ [Amount]	[Material only / Material & labor]	[Date]

3.8 Schedule of Values

Within [Number] days after NTP, Contractor shall submit to Owner (and Architect, if applicable) a Schedule of Values ("SOV") allocating the Contract Price among the major divisions of the Work in accordance with the CSI MasterFormat (current edition). The SOV is subject to Owner's reasonable approval and, once approved, shall be used as the basis for Applications for Payment.

The SOV format follows **Exhibit B** (AIA Document G703-equivalent), and the values shall total the Contract Price. Representative line-item structure:

CSI Division	Description	Scheduled Value
00 & 01	Procurement and Contracting Requirements; General Requirements	\$ [Value]
02	Existing Conditions / Demolition	\$ [Value]
03	Concrete	\$ [Value]
04	Masonry	\$ [Value]
05	Metals	\$ [Value]
06	Wood, Plastics, and Composites	\$ [Value]
07	Thermal and Moisture Protection	\$ [Value]
08	Openings (Doors, Windows, Glazing)	\$ [Value]
09	Finishes	\$ [Value]
10	Specialties	\$ [Value]
11–14	Equipment; Furnishings; Special Construction; Conveying Equipment	\$ [Value]
21	Fire Suppression	\$ [Value]
22	Plumbing	\$ [Value]
23	HVAC	\$ [Value]
26	Electrical	\$ [Value]
27	Communications	\$ [Value]
28	Electronic Safety and Security	\$ [Value]
31–33	Earthwork; Exterior Improvements; Utilities	\$ [Value]
Total (= Contract Price)		\$ [Total]

Front-loading of the SOV (assignment of disproportionate value to early activities) is prohibited. Owner may require Contractor to revise an SOV that is materially unbalanced.

3.9 Sales, Use, and Similar Taxes

The Contract Price includes / excludes (select one) state and local sales and use taxes applicable to the Work:

- Contract Price **includes** all applicable sales, use, gross-receipts, and similar transactional taxes; Contractor is responsible for remittance.
- Contract Price **excludes** sales and use taxes; Owner shall pay or reimburse such taxes upon presentation of supporting invoices.
- Owner is tax-exempt and shall furnish exemption certificates as needed; Contractor shall take advantage of the exemption to the maximum extent permitted.

Jurisdictional Note: Tax treatment of construction services and materials varies materially by state. In some states (e.g., Texas, Hawaii) construction services are subject to sales / gross-receipts taxes; in others only materials are taxed. Reference the state-specific tax addendum.

3.10 Retainage

Owner shall withhold from each progress payment retainage equal to *[%, typically 5–10%]* of the amount otherwise due, until the conditions for release below are met.

Reduction at 50% Completion: Upon Substantial Completion of *[50%]* of the Work, and provided Contractor's performance is then satisfactory, retainage shall be reduced to *[%, typically 0–5%]* on subsequent progress payments.

Retainage on Subcontractors: Contractor shall withhold retainage from subcontractors at the same rate Owner withholds from Contractor. Reductions to retainage from a particular subcontractor at the trade's substantial completion may be granted with Owner's consent.

Retainage Escrow / Substitute Security: Where required or permitted by state statute, retainage may be deposited into an interest-bearing escrow account, or Contractor may post a retainage bond or other substitute security in lieu of withholding.

Release of Retainage: Retainage shall be released within *[Number, typically 30–60]* days after Final Completion, acceptance, and submission of all closeout deliverables (Section 13), subject to set-off for documented punch-list items.

Jurisdictional Note: Many states cap retainage (commonly 5% or 10%) and prescribe release timelines; some require interest on retainage held in escrow. State statute supersedes any

conflicting term here.

3.11 Lien Waivers

Contractor shall, with each Application for Payment and final payment, deliver lien waivers in the four AIA-standard forms (or equivalent state-statutory forms where prescribed):

- a. **Conditional Waiver and Release on Progress Payment** — from Contractor, conditioned on Contractor's receipt of payment for the period through the "through date";
- b. **Unconditional Waiver and Release on Progress Payment** — from Contractor, after payment for that period has been received and cleared;
- c. **Conditional Waiver and Release on Final Payment** — from Contractor, conditioned on receipt of final payment;
- d. **Unconditional Waiver and Release on Final Payment** — from Contractor, after final payment has been received and cleared.

Contractor shall also obtain and deliver corresponding lien waivers from subcontractors, sub-subcontractors, and material suppliers of every tier, in the same forms and on the same schedule. Failure to deliver complete and proper lien waivers is a basis for withholding payment under Section 4. Forms of the four waivers are attached as **Exhibit E**.

Jurisdictional Note: California, Texas, Florida, and a number of other states prescribe statutory lien-waiver forms by exact wording; use of a non-statutory form may be invalid. Use the state-specific Exhibit E variant.

ARTICLE 4 — PAYMENT

4.1 Applications for Payment

Contractor shall submit Applications for Payment on or before the *[Number, e.g., 25th]* day of each month, covering Work performed and materials properly stored as of the last day of the immediately preceding month. Each Application shall be in the form of AIA Document G702 / G703 (or equivalent attached as **Exhibit B**), and shall include:

- a. A cover sheet (G702-equivalent) signed and notarized by Contractor;
- b. A continuation sheet (G703-equivalent) breaking the Work down by the approved Schedule of Values, showing for each line: scheduled value, work completed previous, work completed this period, materials stored, total to date, percentage complete, balance to finish, and retainage;
- c. Conditional progress lien waiver from Contractor for the current Application amount;
- d. Unconditional progress lien waivers from Contractor and lower-tier parties for the prior period's payment;
- e. An updated CPM schedule and narrative;
- f. Supporting documentation for stored materials (invoices, bills of sale, photos, insurance evidence);
- g. Any other documentation reasonably requested by Owner.

4.2 Materials Stored Off-Site

Owner shall not be obligated to pay for materials stored off-Site unless: (i) the storage location is bonded or otherwise secure; (ii) the materials are clearly identified as belonging to the Project; (iii) Contractor delivers a bill of sale or other instrument transferring title to Owner free and clear of liens and encumbrances; (iv) the materials are insured for full value naming Owner as additional insured / loss payee; and (v) Owner has approved the storage location in advance in writing.

4.3 Owner Review and Certification

Within *[Number, typically 7–10]* days after receipt of a complete Application for Payment, Owner (and the Architect, if applicable) shall either (a) certify the Application in full; (b) certify it in part with a written explanation for the portion not certified; or (c) reject the Application with a written statement of the grounds for rejection. Grounds for withholding payment include: defective Work; third-party claims; failure to deliver lien waivers; reasonable evidence the Work cannot be completed for the unpaid balance; persistent failure to comply with the Contract Documents; and damage to Owner or a separate contractor.

4.4 Time for Payment; Prompt-Payment Statutes

Owner shall pay the certified amount of each Application within *[Number, typically 30]* days after the Application's submission date (or such shorter period as may be required by the applicable state prompt-payment statute). Contractor shall pay subcontractors and suppliers the amounts attributable to their Work within *[Number, typically 7]* days after Contractor's receipt of payment from Owner, in accordance with applicable state prompt-payment statutes.

Jurisdictional Note: Nearly every state has a prompt-payment statute, often with mandatory interest, attorneys' fees, and a private right of action for violations. Federal prime contracts are governed by the federal Prompt Payment Act. Refer to the state-specific Prompt-Payment addendum.

4.5 Interest on Late Payment

Amounts not paid when due shall bear interest from the date due at the lesser of (a) *[Rate, e.g., 1.5%]* per month, or (b) the maximum rate permitted by applicable law. The parties acknowledge that, in some jurisdictions, statutory rates control over contractually stipulated rates for construction payments.

4.6 Stop-Work for Nonpayment

If Owner fails to pay an undisputed certified amount within *[Number]* days after the due date, Contractor may, upon delivering not less than *[Number, often statutory; typically 7–14]* days' written notice to Owner, stop the Work until payment of the amount owing has been received. The Contract Time and Contract Price shall be equitably adjusted by Change Order for Contractor's reasonable costs of shutdown, demobilization, and remobilization, plus reasonable profit on such costs.

Jurisdictional Note: Many states require specific advance written notice (often 7, 10, or 14 days), in a statutorily prescribed form, before stopping work. Follow the state-specific stop-work notice procedure.

4.7 Joint Checks

Owner may, in its discretion or at the request of a subcontractor or supplier, issue checks payable jointly to Contractor and the subcontractor / supplier. Issuance of a joint check shall, to the extent of its proceeds, satisfy Owner's payment obligation to Contractor for the amounts represented and shall, to the extent of the subcontractor's / supplier's endorsement, evidence payment by Contractor to that party.

4.8 Substantial Completion Payment

Upon Substantial Completion of the Work or designated portion (see Section 13), Owner shall pay Contractor the amount certified by Owner (and Architect) less (a) outstanding retainage, (b) 150% of the reasonable value of punch-list items, and (c) any other sums Owner is entitled to withhold under this Agreement.

4.9 Final Payment

Final payment, including all retainage, shall be paid within *[Number, typically 30]* days after Final Completion and the satisfaction of all conditions in Section 13.5, including delivery of unconditional final lien waivers from Contractor and all lower-tier parties.

SAMPLE — Contrf

SAMPLE — Contrf

— Contrf

SAMPLE — Contrf

SAMPLE —

SAMPLE — Contrf

SAMPLE — Contrf

ARTICLE 5 — CHANGES IN THE WORK

5.1 Definitions

- a. **Change Order (CO):** A written instrument signed by Owner and Contractor (and Architect, if applicable) memorializing an agreed change in the Work, the Contract Price, and / or the Contract Time.
- b. **Construction Change Directive (CCD):** A written directive issued by Owner (or Architect on Owner's behalf), with or without Contractor's agreement, ordering a change in the Work prior to agreement on adjustments to the Contract Price and / or Contract Time. Contractor shall proceed with the Work as directed and the parties shall negotiate the resulting adjustments.
- c. **Change Order Proposal (COP) / Change Order Request (COR):** A written proposal submitted by Contractor (sometimes called "potential change order" or "PCO") requesting a Change Order based on a proposed change or a condition Contractor contends entitles it to an adjustment.
- d. **Minor Change in the Work:** A change ordered by Architect that does not adjust the Contract Price or Contract Time and is consistent with the intent of the Contract Documents.

5.2 No Verbal Changes

No verbal direction or course of conduct shall change the Contract Price, the Contract Time, or the scope of Work. A Change Order signed by both parties (or a CCD as provided below) is the exclusive means for modifying any of these terms.

5.3 Pricing Methodology

Adjustments to the Contract Price arising out of a CO or CCD shall be determined by one of the following methods, as the parties may agree (or as Owner may direct in the case of a CCD, subject to Contractor's reservation of rights):

- a. Lump sum agreed between the parties, properly itemized and supported;
- b. Unit prices stated in this Contract or subsequently agreed upon;
- c. Cost-of-the-work-plus-fee basis, with a mutually acceptable fixed or percentage fee;
- d. Time and Materials at the rates in Exhibit B-1.

Markup on Changes: Unless otherwise agreed, allowable markup for overhead and profit on changes shall not exceed:

Contractor's own self-performed Work: [%] on direct cost.

Subcontracted Work: [%] on subcontractor's aggregate price.

Combined cumulative markup at all tiers shall not exceed [%].

5.4 Time Impact Analysis

Any request for an adjustment to the Contract Time must be supported by a Time Impact Analysis ("TIA") using the current approved CPM schedule as a baseline. The TIA shall identify: (i) the activity or activities impacted; (ii) the cause and date of the impact; (iii) the resulting impact on the critical path; (iv) any concurrent delays; (v) mitigation efforts; and (vi) the requested duration adjustment. Owner may dispute a TIA based on its own analysis; disputes are resolved under Article 14.

5.5 Notice Requirements

Contractor shall give written notice of a claim for an adjustment to the Contract Price or Contract Time within *[Number, typically 14–21]* days after the occurrence of the event giving rise to the claim, or after Contractor first recognizes the condition giving rise to the claim, whichever is later. Failure to give timely notice waives the claim, except where prohibited by law.

5.6 Owner's Approval Timeline

Owner shall respond to any COP within *[Number, typically 14–30]* days of receipt of a complete proposal. Failure to respond within the stated period shall not constitute acceptance. Where state statute (such as California's SB 800 / 460-series or Texas prompt-pay rules) prescribes a different timeline, the statutory period controls.

Jurisdictional Note: California public works (Public Contract Code §7102 and related sections) imposes specific timelines for change-order responses; Florida and certain other states have statutory frameworks for COP review on public works. Confirm applicability for the project type.

5.7 Disputed Change Orders — Reservation of Rights

If Owner directs Contractor by CCD or other written directive to perform changed Work for which the parties have not agreed on Price or Time, Contractor shall proceed with the changed Work and may, by written notice to Owner, perform under reservation of rights. Contractor shall track all costs separately and submit them under Section 4 with a contemporaneous "protest of pricing" notation. Such payment shall be without prejudice to Contractor's right to seek additional compensation through the dispute-resolution procedures of Article 14.

5.8 Differing Site Conditions

If Contractor encounters concealed physical conditions at the Site that materially differ from (a) the conditions indicated in the Contract Documents, or (b) ordinary conditions inherent in the type of Work, Contractor shall promptly (and in any event within *[Number, typically 7–14]* days, before further disturbance) give written notice to Owner. The Contract Price and Contract Time

shall be equitably adjusted to the extent the conditions are demonstrated to be materially different and to have impacted Contractor's performance.

ARTICLE 6 — SUBCONTRACTORS AND SUPPLIERS

6.1 Prequalification

Before awarding any subcontract or major purchase order, Contractor shall prequalify the prospective subcontractor or supplier by verifying, at minimum: (i) appropriate state licensing and classification; (ii) good standing on the state contractor's board; (iii) insurance and bonding capacity; (iv) financial stability; (v) safety performance (EMR, OSHA history); (vi) project-relevant references; (vii) compliance with applicable DBE / MBE / WBE / SDVOSB requirements; and (viii) E-Verify enrollment where required by state law.

6.2 Owner's Right to Approve / Reject

Contractor shall submit, no later than *[Number]* days after NTP and prior to award, a list of prospective subcontractors and major suppliers for each trade (the "Approved Subcontractor List", attached as **Exhibit G**). Owner shall have *[Number, typically 7–14]* days to object to any proposed subcontractor / supplier for cause. Cause includes documented poor performance, lack of license, insurance deficiency, financial instability, or conflict of interest. Owner's failure to timely object shall not constitute approval beyond the absence of objection. Substitutions after award require Owner's consent, not to be unreasonably withheld.

6.3 Subcontract Flow-Down Provisions

Each subcontract shall: (i) bind the subcontractor to Contractor by the same terms by which Contractor is bound to Owner under the Contract Documents, to the extent applicable to that scope; (ii) require the subcontractor to perform in accordance with the Contract Documents; (iii) require insurance, indemnity, lien-waiver, change-order, dispute-resolution, and audit provisions consistent with this Agreement; (iv) preserve the rights and remedies of Owner; and (v) prohibit assignment without consent.

6.4 Pay-When-Paid vs. Pay-If-Paid

The parties acknowledge that "pay-when-paid" clauses (timing mechanisms) are generally enforceable, while "pay-if-paid" clauses (condition-precedent mechanisms shifting credit risk to subcontractors) are restricted, void, or unenforceable in a number of states. Subcontracts shall structure payment obligations to comply with the law of the jurisdiction in which the Project is located.

Jurisdictional Note: Pay-if-paid clauses are void or unenforceable as against public policy in jurisdictions including New York, North Carolina, California (for certain claims), Virginia (for public

projects and, as of recent amendments, broadly), and others. Refer to the state-specific subcontract addendum.

6.5 Joint Check Elections

Owner may, on written request of any subcontractor or supplier, elect to issue joint checks payable to Contractor and that party, as described in Section 4.7.

6.6 Subcontractor Default; Termination and Replacement

If a subcontractor fails to perform, Contractor shall remain solely responsible to Owner. Contractor's subcontracts shall provide Contractor the right to terminate for cause upon notice and an opportunity to cure (no more than *[Number, typically 3–7]* days). Upon termination of a subcontractor, Contractor shall promptly engage a qualified replacement at no additional cost or time to Owner, except where the underlying cause entitles Contractor to a change under Article 5.

6.7 Direct Contracts (No Privity Created)

Nothing in this Agreement creates a contractual relationship, or any third-party-beneficiary rights, between Owner and any subcontractor or supplier, except as expressly stated in a separate written instrument signed by Owner.

ARTICLE 7 — PERMITS, LICENSES, INSPECTIONS, AND SITE COMPLIANCE

7.1 Permit Responsibility

- Contractor shall obtain and pay for the building permit and all construction permits and inspections customarily obtained by a general contractor (electrical, mechanical, plumbing, fire, etc.).
- Owner shall obtain and pay for entitlements, zoning approvals, site plan approvals, certificates of occupancy, and similar discretionary or non-construction permits.
- Other allocation as set forth in **Exhibit A**.

7.2 Inspections and Re-Inspections

Contractor shall coordinate and facilitate all inspections required by authorities having jurisdiction. Re-inspection fees caused by Contractor's non-conforming Work shall be at Contractor's expense; re-inspection fees caused by Owner's delays or directions shall be at Owner's expense.

7.3 Special Site Plans

Contractor shall prepare and maintain, and obtain authority approval where required, the following site plans:

- a. **Site Logistics Plan** — laydown, hoisting, deliveries, parking, security;
- b. **Crane & Hoisting Plan** — including operator certifications, signaler protocols, swing zones, and overhead protections;
- c. **Traffic Control Plan** — complying with the MUTCD and the local jurisdiction's traffic control standards;
- d. **Erosion / SWPPP Plan** — complying with the project NPDES permit;
- e. **Dewatering and Discharge Plan** — where applicable;
- f. **Site Safety / Site Specific Safety Plan (SSSP)** — per Section 9 of these General Conditions.

7.4 Building Information Modeling (BIM)

If BIM is used on the Project, Contractor shall execute and comply with the BIM Execution Plan (BxP), addressing level-of-development (LOD), federation, clash detection, file exchange formats, model ownership, and intellectual-property rights. The BxP, if applicable, is attached as part of **Exhibit A**.

7.5 Environmental, Hazardous Materials, and Air Quality

Contractor shall comply with all applicable environmental laws, including the Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control

Act (TSCA), CERCLA, and applicable state and local equivalents. Asbestos, lead-based paint, PCB-containing materials, mold, contaminated soils, and other hazardous materials known or suspected at the Site are **not part of the Work** unless expressly included in **Exhibit A**. If Contractor encounters such materials, Contractor shall (i) stop Work in the affected area, (ii) secure the area, and (iii) notify Owner promptly in writing. Resolution shall be by Change Order including necessary abatement, schedule, and cost adjustments.

7.6 Prevailing Wage / Davis-Bacon / Wage Theft Compliance

If the Project is subject to prevailing-wage laws (federal Davis-Bacon Act, state "little Davis-Bacon" statutes, or municipal wage-floor ordinances), Contractor shall comply with all classification, posting, certified-payroll, apprenticeship, and reporting obligations. Contractor shall also comply with all applicable wage-theft, anti-retaliation, and worker-misclassification statutes.

7.7 Immigration Compliance / E-Verify

Contractor and each subcontractor shall comply with the Immigration Reform and Control Act (IRCA), maintain accurate I-9 documentation, and, where required by state law (e.g., Arizona, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Utah, Alabama, Florida) or by federal contract terms, enroll in and use the E-Verify system for newly hired employees performing Work on the Project.

7.8 Equal Employment Opportunity and Anti-Discrimination

Contractor shall comply with Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, Executive Order 11246 (where applicable), and all applicable state and local equal employment opportunity and anti-discrimination laws.

ARTICLE 8 — INSURANCE AND BONDS

8.1 Required Insurance — Limits

Contractor shall procure and maintain, at Contractor's expense and from carriers admitted in the state of the Project and rated not less than **A.M. Best A-VII** (or otherwise approved by Owner in writing), the following insurance covering operations under this Agreement:

Coverage	Minimum Limits
Commercial General Liability (occurrence form, ISO CG 00 01 or equivalent)	\$ [1,000,000] each occurrence \$ [2,000,000] general aggregate (per-project) \$ [2,000,000] products / completed operations aggregate \$ [1,000,000] personal & advertising injury \$ [100,000] fire damage / damage to rented premises \$ [5,000] medical expense
Automobile Liability (any auto / owned / non-owned / hired)	\$ [1,000,000] combined single limit
Workers' Compensation	Statutory limits of the state(s) where Work is performed
Employer's Liability	\$ [500,000] each accident / \$ [500,000] disease each employee / \$ [500,000] disease policy limit
Umbrella / Excess Liability (follow-form, over CGL, Auto, and Employer's Liability)	\$ [5,000,000] each occurrence and aggregate (commercial typical \$5M–\$25M)
Contractor's Pollution Liability (if work involves disturbance of soil, water, hazardous materials, fueling, or similar exposures)	\$ [1,000,000] per claim / \$ [2,000,000] aggregate

Professional Liability / Errors & Omissions (if Contractor performs design or design-build services)	\$ [1,000,000] per claim / \$ [2,000,000] aggregate
Cyber Liability / Network Security (if Project includes building automation, smart-building, or other networked systems Contractor controls)	\$ [1,000,000] per claim
Inland Marine / Installation Floater / Equipment Floater	Full replacement value of equipment / tools / installed materials not yet incorporated
Aircraft / Watercraft / Aviation (if applicable, including UAS/drones used on Site)	\$ [1,000,000] per occurrence

8.2 Builder's Risk Insurance

Owner shall procure and maintain Builder's Risk insurance for the full insurable value of the Work on a completed-value, all-risk basis, naming Owner, Contractor, and major subcontractors as named or additional insureds, with mutual waivers of subrogation.

Contractor shall procure and maintain Builder's Risk insurance as above.

Deductible: \$ [Amount] , borne by Owner Contractor Party causing the loss.

Form: All-Risk, including, without limitation, fire, lightning, extended coverage, theft, vandalism, malicious mischief, false work, temporary structures, debris removal, demolition, increased cost of construction. Earthquake and flood: Included Excluded.

Each insured waives all rights of subrogation against every other insured for losses covered by the Builder's Risk policy.

8.3 Required Endorsements (CGL and Umbrella)

Contractor's CGL and follow-form Umbrella shall include the following endorsements, by form number where stated:

- a. **Additional Insured — Ongoing Operations:** ISO Form **CG 20 10** (current edition) naming Owner, Owner's lender (if any), Architect / Engineer (if required by their professional services agreement), and other parties listed in **Exhibit D**;
- b. **Additional Insured — Completed Operations:** ISO Form **CG 20 37** (current edition), with the same additional insureds, extending for the duration of the applicable statute of repose;
- c. **Primary and Non-Contributory:** Contractor's coverage is primary and non-contributory to any insurance of Owner;
- d. **Waiver of Subrogation:** In favor of the additional insureds;

- e. **Per-Project Aggregate:** ISO Form **CG 25 03** or equivalent, separate aggregate limit per project;
- f. **Notice of Cancellation:** Endeavor to provide at least *[30]* days' advance written notice of cancellation, non-renewal, or material reduction, except *[10]* days for non-payment of premium.

8.4 Certificates and Evidence

Prior to commencing Work, and thereafter at each annual renewal, Contractor shall furnish to Owner: (i) ACORD certificates of insurance evidencing the coverages required; (ii) copies of all required endorsements; and (iii) on Owner's reasonable request, certified copies of policies (which Owner shall maintain confidentially). Contractor shall require similar certificates and endorsements from all subcontractors and shall make them available to Owner on request.

8.5 Performance and Payment Bonds

- Performance Bond** in the amount of *[100%]* of the Contract Price, naming Owner as obligee, issued by a Surety meeting Section 1.4, in the form attached as **Exhibit D-1** (AIA Document A312 or equivalent);
- Labor and Material Payment Bond** in the amount of *[100%]* of the Contract Price, naming Owner as obligee for the benefit of subcontractors and suppliers, in the form attached as **Exhibit D-2**;
- Maintenance Bond** in the amount of *[10–25%]* of the Contract Price for a period of *[Number]* years following Substantial Completion;
- Subcontractor Bonds:** Contractor shall require performance and payment bonds from subcontractors with subcontract value exceeding \$ *[Threshold]* , with rights assignable to Owner upon Contractor default.
- No bonds required.

Bond premiums are included in / in addition to the Contract Price. On public projects subject to the Miller Act (federal) or "Little Miller Act" (state), statutory bonding is required regardless of this Section.

8.6 Insurance for Completed Operations — Survival

Contractor's products / completed operations coverage and Additional Insured Completed Operations (CG 20 37) endorsement shall be maintained for not less than the applicable state statute of repose or *[Number, typically 5–10]* years after Final Completion, whichever is longer.

ARTICLE 9 — SAFETY

Contractor is solely responsible for site safety and for compliance with the Occupational Safety and Health Act (OSHA), 29 C.F.R. Parts 1910 and 1926, and all applicable state OSHA-equivalent regulations, state and local safety codes, and the Site-Specific Safety Plan (SSSP) attached as part of **Exhibit A**. Contractor shall designate a Competent Person on Site at all times Work is in progress. Contractor shall conduct toolbox talks weekly, maintain SDS records and a written Hazard Communication program, control silica, lead, and other regulated exposures, and provide all required PPE. Contractor shall report all OSHA recordable injuries and any incident involving Owner property or third parties to Owner within *[Number, typically 24]* hours.

Contractor shall maintain an Experience Modification Rating (EMR) of *[1.00 or lower]* or shall provide a written action plan. Right-to-stop-work for unsafe conditions is retained by Owner, Owner's representative, and any safety professional designated under this Agreement, and exercise of such right shall not subject the directing party to liability.

ARTICLE 10 — INDEMNIFICATION

10.1 Contractor's Indemnity

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner, Owner's lender, Owner's parent / affiliates and their respective officers, directors, employees, agents, and the Architect / Engineer (collectively, the "Owner Indemnified Parties") from and against any and all claims, damages, losses, fines, penalties, liens, costs, and expenses, including reasonable attorneys' fees and costs of defense, arising out of or resulting from performance of the Work, but **only to the extent** caused by the negligent acts, omissions, or willful misconduct of Contractor, any subcontractor, or anyone directly or indirectly employed by them, regardless of whether such claim is caused in part by an Owner Indemnified Party (the indemnity being limited to Contractor's comparative share of fault, where applicable law so requires).

This indemnity does not extend to: (i) the sole negligence or willful misconduct of an Owner Indemnified Party; (ii) defects in design furnished by Owner or its design professionals (except to the extent Contractor was responsible for the design); (iii) claims arising from Owner's breach of this Agreement.

10.2 Owner's Indemnity

To the extent permitted by law, Owner shall defend, indemnify, and hold harmless Contractor and its officers, directors, employees, and agents from claims arising out of (i) Owner's negligent acts or willful misconduct; (ii) defects in Owner-furnished information, materials, equipment, or design; and (iii) the presence at the Site of hazardous materials not introduced by Contractor.

10.3 Comparative Fault / Anti-Indemnity Statute Compliance

Notwithstanding anything in this Article, this Agreement is subject to the anti-indemnity statute of the state where the Project is located. To the extent such statute limits the scope of indemnification — for example, prohibiting indemnification for an indemnitee's own negligence, requiring proportional / comparative-fault indemnification, prohibiting duty-to-defend obligations beyond indemnified claims, or limiting indemnification by professional design contractors — this Article shall be read down to the maximum scope permitted by such statute.

Jurisdictional Note: Anti-indemnity statutes vary materially. Some states (e.g., California Civil Code §2782 series, Texas Insurance Code Ch. 151, Oregon ORS 30.140, Florida Stat. §725.06) significantly restrict broad-form or intermediate-form indemnity. Many limit defense obligations to indemnified claims (i.e., no duty to defend until causation is determined). This clause **MUST** be reviewed against the local statute.

10.4 Insurance Independent

The indemnification obligations of this Article are not limited by the amounts or types of insurance carried, and Contractor's insurance shall not satisfy such obligations except by paying covered claims. The mutual waivers of subrogation under the Builder's Risk policy operate independently of this Article.

10.5 Limitation of Liability (Optional)

- The aggregate liability of Contractor to Owner under or related to this Agreement (excluding indemnification of third-party claims, claims arising from willful misconduct, claims for which insurance proceeds are available, and lien / mechanic's lien claims) shall not exceed *[the Contract Price / a stated multiple thereof / a specified dollar cap]* .
- Waiver of consequential damages: To the maximum extent permitted by law, the parties mutually waive consequential damages, including lost profits, lost rents, lost use, lost financing, business interruption, and reputational harm. This waiver excludes (a) liquidated damages expressly stipulated; (b) third-party claims covered by indemnification; and (c) consequential damages arising from a party's gross negligence or willful misconduct.

ARTICLE 11 — WARRANTIES

11.1 General Workmanship Warranty

Contractor warrants that all Work will be (i) performed in a good and workmanlike manner by appropriately licensed and qualified personnel; (ii) free from defects in workmanship and materials; (iii) in conformity with the Contract Documents; and (iv) compliant with applicable codes and laws in effect at the time of installation. The general workmanship warranty period is [12] months from the date of Substantial Completion of the Work (or designated portion).

11.2 Extended / System-Specific Warranties

System / Component	Warranty Duration from Substantial Completion
Roofing (NDL/NDL+ where specified)	[10–30] years (per manufacturer NDL)
Waterproofing (below-grade and plaza decks)	[10] years
Exterior Wall Systems / Cladding	[5] years
Mechanical / HVAC equipment	Per manufacturer (typically 1–5 years), plus 1-year workmanship
Elevators / Conveying Systems	[2] years
Site Concrete / Asphalt	[2–5] years
Landscape / Plantings	[1] growing season
Other: [Describe]	[Term]

11.3 Manufacturer Warranties Pass-Through

Contractor shall obtain all manufacturer / supplier warranties applicable to materials and equipment incorporated into the Work, in Owner's name where possible, and shall assign or pass through such warranties to Owner upon Substantial Completion. Originals or certified copies shall be delivered as part of the closeout package.

11.4 Correction of Defective Work

Upon written notice from Owner of any defect appearing within the applicable warranty period, Contractor shall promptly, and at its sole cost, correct, repair, or replace the defective Work and

any other Work damaged as a result, using personnel and materials of the same or better quality than originally specified. Emergency conditions may be addressed by Owner with reasonable cost charged back to Contractor without waiver of any warranty.

11.5 Latent Defects and Statute of Repose

The warranty periods stated above do not shorten any longer period available under the law of the Project state. Each state imposes a **statute of repose** (an outside time limit for bringing construction-defect actions) and a **statute of limitations** (a time from discovery or accrual). Common construction statutes of repose range from 4 to 15 years from substantial completion, with Florida recently shortened to 7 years and several other states at 8 to 10. Nothing in this Agreement shall be construed to extend any limitations period beyond the applicable statute, nor to shorten any period that the parties cannot lawfully shorten by contract.

Jurisdictional Note: Statutes of repose for construction defects are state-specific and amended periodically. Confirm the current statute for the Project state.

11.6 Exclusions

Contractor's warranties exclude defects or damages arising from: (i) Owner's misuse, abuse, or operation outside of design parameters; (ii) modifications, alterations, or repairs by others not authorized by Contractor; (iii) ordinary wear and tear; (iv) acts of God, fire, flood, vandalism, or other casualty (which are addressed by insurance); (v) failure of Owner to perform routine maintenance or to provide minimum operating environments; (vi) Owner-furnished products, materials, or design.

ARTICLE 12 — SUSPENSION, TERMINATION, AND FORCE MAJEURE

12.1 Suspension by Owner for Convenience

Owner may, without cause and on *[Number, typically 7]* days' written notice, suspend the Work in whole or in part for up to *[Number, typically 90]* days. Contractor shall be entitled to an equitable adjustment to the Contract Time and Contract Price for the actual increased costs of shutdown, idle equipment, demobilization, remobilization, and reasonable overhead, plus profit thereon.

12.2 Termination by Owner for Cause

Owner may terminate this Contract for cause if Contractor:

- a. Materially breaches the Contract and fails to cure within *[Number, typically 7–14]* days after written notice describing the breach;
- b. Becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed, or files for bankruptcy protection (to the maximum extent enforceable under the Bankruptcy Code);
- c. Repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- d. Fails to pay subcontractors or suppliers when amounts have been certified and paid by Owner;
- e. Persistently disregards laws, codes, or the lawful directives of authorities having jurisdiction;
- f. Is otherwise guilty of a substantial breach of the Contract Documents.

Upon termination for cause, Owner may take possession of the Site, of Contractor's equipment and materials at the Site, and of the Work; complete the Work by such means as Owner reasonably elects; and recover from Contractor the cost to complete (over the unpaid balance of the Contract Price), plus damages and reasonable attorneys' fees. The unpaid balance owed Contractor shall not be paid until completion of the Work and final accounting; if a balance remains in Contractor's favor it shall be paid then, and if a deficit, Contractor shall pay it.

12.3 Termination by Owner for Convenience

Owner may terminate this Contract for convenience on *[Number, typically 7–14]* days' written notice. Upon such termination, Contractor shall be entitled to:

- a. Payment for Work properly performed through the date of termination, valued in accordance with the Schedule of Values;
- b. Reasonable termination expenses, including demobilization, settlement of subcontracts, and storage of materials;

- c. Reasonable profit and overhead on Work properly performed (but not on Work not yet performed);
- d. Reasonable mark-up on materials and equipment that cannot be returned for full credit, as agreed by the parties;
- e. **No** recovery for anticipated profit on unperformed Work, except as the parties may agree.

Contractor shall, on receipt of notice, stop Work, place no further orders, terminate subcontracts, preserve and protect Work in place, and reasonably mitigate costs.

12.4 Termination by Contractor for Cause

Contractor may terminate this Contract for cause if Owner:

- a. Fails to pay any undisputed amount certified for payment within *[Number, typically 30–60]* days after the due date, and fails to cure within *[Number, typically 7–14]* days after a further written notice of intent to terminate;
- b. Suspends Work under Section 12.1 for more than *[Number, typically 90]* days, and Owner refuses to resume on Contractor's written demand;
- c. Otherwise materially breaches the Contract and fails to cure within the period stated above.

Upon termination for cause by Contractor, Contractor shall be entitled to the same recovery as for termination for convenience under Section 12.3, plus reasonable attorneys' fees, plus damages provable under law.

Contractor's rights to suspend or terminate for non-payment are subject to compliance with any state-specific advance notice requirements.

12.5 Termination for Contractor Convenience

Termination for the convenience of Contractor is **not permitted** except, if at all, on the narrow grounds expressly stated here: *[Insert narrow grounds, e.g., loss of license through no fault, change in law making performance unlawful]* . In any such case, Contractor shall be entitled only to payment for Work properly performed through the date of termination, without profit on unperformed Work.

12.6 Force Majeure

Neither party shall be in breach for delay or failure of performance to the extent caused by a Force Majeure Event. A "Force Majeure Event" means an event beyond the affected party's reasonable control that could not have been avoided by reasonable diligence, including:

- a. Acts of God (fire, flood, earthquake, hurricane, tornado, severe and abnormal weather);
- b. War, terrorism, riot, civil disturbance, insurrection, sabotage;

- c. Strikes, lockouts, and other labor actions not specific to the affected party's workforce;
- d. Epidemics, pandemics, public-health emergencies, and government-mandated shutdowns or quarantines related thereto (including subsequent variants and recurrence of COVID-era conditions);
- e. Supply-chain disruption that is industry-wide and not reasonably foreseeable, including manufacturer shut-downs, transportation embargoes, and unprecedented delays in critical materials;
- f. Government actions, embargoes, tariffs of material magnitude not in effect at signing, or sanctions;
- g. Cyber attacks, ransomware, or other malicious electronic interference;
- h. Acts or omissions of the other party or third parties for whom the other party is responsible.

Notice: The affected party shall give written notice to the other within *[Number, typically 7–14]* days after the affected party knew or reasonably should have known of the Force Majeure Event, describing the event, the impact on the Work, and the anticipated duration. Failure to give timely notice waives the right to relief based on facts occurring before notice.

Relief: The Contract Time shall be equitably extended for actual delay caused by the Force Majeure Event. Additional compensation for cost impact shall be available only where (i) expressly provided in this Agreement, (ii) the Force Majeure Event is one for which the parties have agreed to allocate cost risk to Owner (e.g., in **Exhibit A**), or (iii) provided by applicable law.

Termination for Prolonged Force Majeure: If a Force Majeure Event continues for more than *[Number, typically 90–120]* consecutive days, either party may terminate the Contract by written notice, with the same effect as a termination for convenience by Owner.

ARTICLE 13 — COMPLETION

13.1 Substantial Completion

"Substantial Completion" means the stage at which the Work, or a designated portion thereof, is sufficiently complete in accordance with the Contract Documents that Owner can occupy or use the Work for its intended purpose. The Architect (or Owner, if no Architect) shall, at Contractor's request, inspect and either (a) issue a Certificate of Substantial Completion identifying the date, the responsibilities of the parties for security, maintenance, heat, utilities, damage to Work, and insurance, and attaching a punch list; or (b) state in writing why the Work is not substantially complete.

13.2 Partial Occupancy / Beneficial Use

Owner may occupy or use any completed or partially completed portion of the Work before Substantial Completion of the whole, with Contractor's consent (not to be unreasonably withheld) and subject to written agreement allocating responsibilities for insurance, security, damage, and warranty start dates for the occupied portion.

13.3 Punch List

Contractor shall complete punch-list items within *[Number, typically 30–60]* days after Substantial Completion. Punch-list completion is a condition precedent to Final Completion and final payment.

13.4 Final Completion

"Final Completion" occurs when (i) all punch-list items are complete; (ii) all required closeout deliverables have been delivered and accepted; (iii) all required final inspections and approvals have been issued; and (iv) Contractor has delivered final unconditional lien waivers.

13.5 Closeout Deliverables

As a condition of final payment, Contractor shall deliver:

- a. As-built record drawings (red-lined hard copy and editable electronic file, both PDF and native CAD/BIM);
- b. Operations and Maintenance (O&M) manuals, two hard copies and one electronic;
- c. Manufacturer warranties (originals or certified copies), assigned to Owner where possible;
- d. Contractor's general workmanship warranty letter;
- e. Final lien waivers (unconditional final from Contractor and all lower-tier parties);
- f. Certificates of occupancy and any other governmental approvals;
- g. Final inspection reports;

- h. Test and balance reports, commissioning reports, and start-up records;
- i. Keys, access cards, control passwords, and code books, with key schedule;
- j. Spare parts and attic stock as required by the Specifications;
- k. Training records and acknowledgments by Owner's operations personnel;
- l. Consent of Surety to final payment, if bonded.

ARTICLE 14 — DISPUTE RESOLUTION

14.1 Direct Negotiation — Step 1: Project-Level

The parties shall first attempt to resolve any claim or dispute by good-faith direct negotiation between the project-level representatives (Project Manager and Owner's Designated Representative) within *[Number, typically 14]* days after written notice of the dispute.

14.2 Senior Executive Negotiation — Step 2

If the dispute is not resolved at the project level, it shall be escalated to senior executives of the parties (each having authority to settle), who shall meet within *[Number, typically 21]* days after such escalation and negotiate in good faith for at least *[Number, typically 30]* days.

14.3 Mediation — Step 3

If unresolved after Step 2, the dispute shall be submitted to non-binding mediation as a condition precedent to arbitration or litigation. Unless the parties agree otherwise:

- Mediation shall be administered by the American Arbitration Association (AAA) under the Construction Industry Mediation Procedures.
- Mediation shall be administered by JAMS under its Construction Mediation Rules.
- Mediation shall be administered by *[Other provider]*.

Location of mediation: *[City, State]*.

Cost-sharing: Equally, except prevailing party may recover its share under Section 14.7.

14.4 Binding Resolution — Step 4 (Select One)

If mediation does not resolve the dispute within *[Number, typically 60]* days after demand:

- Binding Arbitration:** The dispute shall be finally resolved by arbitration administered by the AAA under the Construction Industry Arbitration Rules, by a single arbitrator (claims under \$ *[Threshold]*) / a three-arbitrator panel (claims above threshold). Judgment on the award may be entered in any court of competent jurisdiction. The arbitrator(s) shall have no authority to award punitive or consequential damages waived under Section 10.5. The Federal Arbitration Act governs interpretation and enforceability of this clause.
- Litigation:** The dispute shall be resolved by the courts of *[County, State]*, and the parties consent to the exclusive jurisdiction of such courts.

14.5 Continued Performance

Pending resolution of any dispute, Contractor shall continue performance of the Work, and Owner shall continue to make undisputed payments, unless the Contract has been terminated as

expressly provided in Article 12.

14.6 Choice of Law and Venue

This Agreement shall be governed by, and construed in accordance with, the laws of the State of *[Project State]*, without regard to its conflict-of-laws principles. The parties acknowledge that, in many jurisdictions, contractual selection of a forum or governing law outside the state where the construction is performed is void as to construction contracts. The venue and governing-law provisions shall be interpreted accordingly.

Jurisdictional Note: Texas (Tex. Bus. & Com. Code §272.001), California (Cal. Code Civ. Proc. §410.42), and many other states void out-of-state venue or choice-of-law clauses in construction contracts for in-state projects. Some states extend the rule to subcontracts. The default in this template is the Project state for both, which is the safest setting in most cases.

14.7 Attorneys' Fees

In any dispute-resolution proceeding (mediation, arbitration, or litigation) arising under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs (including expert and consulting fees) from the non-prevailing party, except where applicable law requires that fee shifting be available only as authorized by statute.

Jurisdictional Note: Some states (e.g., Oregon) have one-way or bi-directional fee statutes that may override or supplement this clause. Some states do not enforce mutual fee-shifting in adhesive consumer construction contracts.

14.8 Waiver of Jury Trial

To the maximum extent permitted by law, the parties waive their right to a trial by jury in any action arising under this Agreement.

Jurisdictional Note: Several states (e.g., California, Georgia under *Bank South v. Howard*) restrict or invalidate pre-dispute jury-waiver clauses, particularly in consumer contracts. In those states, this clause may be unenforceable.

14.9 Lien Rights Preserved

Nothing in this Article 14 shall limit Contractor's statutory rights to record, perfect, and enforce a mechanic's lien, a stop-payment notice, or a bond claim, or to assert similar statutory remedies, within the time limits prescribed by law. Filing such a claim is not a breach of the dispute-resolution procedures.

ARTICLE 15 — NOTICES

All notices, claims, demands, requests, consents, and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when: (i) delivered personally; (ii) deposited with a nationally recognized overnight courier (with signature receipt); (iii) sent by certified U.S. mail, return receipt requested, postage prepaid; or (iv) sent by email **and** confirmed by one of the foregoing means within three (3) business days. Notices are deemed received on the date of personal delivery, the next business day after courier deposit, the third business day after certified mailing, or, for email, on the date of delivery confirmation (subject to follow-up confirmation as above).

Notices to Contractor:

[Contractor Notice Name] , [Title]

[Street, City, State, ZIP]

Email: [Email]

With copy to: [Contractor's Counsel, Address, Email]

Notices to Owner:

[Owner Notice Name] , [Title]

[Street, City, State, ZIP]

Email: [Email]

With copy to: [Owner's Counsel, Address, Email]

Either party may change its notice address by written notice given as provided above.

ARTICLE 16 — ASSIGNMENT

Neither party shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that:

- a. Owner may assign this Agreement to any (i) lender providing financing for the Project, as collateral security, (ii) successor in interest by merger, reorganization, or sale of substantially all of Owner's assets, or (iii) wholly owned affiliate, in each case without Contractor's consent (but with notice).
- b. Contractor may not assign this Agreement, including by operation of law, change of control, sale of substantially all assets, or merger, without Owner's prior written consent.

Any purported assignment in violation of this Article shall be void. Subcontracting is governed by Article 6 and shall not be deemed an assignment.

ARTICLE 17 — SURVIVAL

The following obligations survive termination or expiration of this Agreement to the extent of their nature and applicable limitations periods: warranties (Article 11); indemnification (Article 10); insurance for completed operations (Section 8.6); confidentiality (Article 22); audit rights (Section 3.3); dispute resolution (Article 14); choice of law and venue (Section 14.6); notices (Article 15); intellectual property and project records (Article 23); attorneys' fees (Section 14.7); and any other provision the survival of which is necessary to give effect to its purpose.

ARTICLE 18 — ENTIRE AGREEMENT AND MODIFICATIONS

This Agreement, together with the Contract Documents listed in Section 2.2 and the Exhibits identified herein, constitutes the entire agreement of the parties with respect to the subject matter and supersedes all prior negotiations, representations, term sheets, letters of intent, and oral or written agreements. No purchase order, work order, change order form, or other instrument or course of dealing shall modify this Agreement except by a written instrument executed by authorized representatives of both parties and identifying this Agreement. There are no third-party beneficiaries except as expressly stated.

ARTICLE 19 — SEVERABILITY AND REFORMATION

If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be invalid, illegal, or unenforceable in any respect: (i) the validity, legality, and enforceability of the remaining provisions shall not be affected; and (ii) the offending provision shall be reformed and enforced to the maximum extent consistent with the parties' original intent and applicable law. The parties shall negotiate in good faith to replace the offending provision with an enforceable provision that comes as close as possible to expressing the parties' original intent.

ARTICLE 20 — GOVERNING LAW

Select one (the safer default is Option A, the state where the Work is performed):

- Option A — Project State.** This Agreement shall be governed by, and construed under, the laws of the state where the Work is performed (the "Project State"), as identified in Section 2.1, without regard to its conflict-of-laws principles.
- Option B — Owner's Principal Place of Business.** This Agreement shall be governed by the laws of the state of Owner's principal place of business, except to the extent the law of the Project State governs any matter (e.g., real property, mechanic's liens, licensure, venue restrictions, anti-indemnity statutes) as to which the law of the Project State is mandatory.

In all cases, matters of mechanic's liens, contractor licensing, prevailing wage, real property, and other matters that the law of the Project State mandatorily governs shall be governed by the law of the Project State.

ARTICLE 21 — HEADINGS; COUNTERPARTS; ELECTRONIC SIGNATURES

Headings. Section, Article, and paragraph headings are for convenience only and shall not affect the interpretation of this Agreement.

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Electronic Signatures. Signatures transmitted by PDF, DocuSign, Adobe Sign, or other reliable electronic means shall have the same force and effect as original ink signatures, in accordance with the federal Electronic Signatures in Global and National Commerce Act (E-SIGN), 15 U.S.C. §7001 et seq., and the Uniform Electronic Transactions Act (UETA) as adopted in the Project State.

ARTICLE 22 — CONFIDENTIALITY

Each party shall hold in confidence and not disclose to any third party, except as necessary to perform the Work or as required by law, court, or regulator: (i) the financial terms of this Agreement (including pricing, SOV, allowances, and fees); (ii) the other party's non-public business information; (iii) Owner's design documents, drawings, specifications, BIM models, and trade secrets; (iv) Project security, tenant, and operational information; and (v) the existence and content of disputes between the parties.

Confidentiality obligations survive termination of this Agreement for *[Number, typically 5]* years, except trade secrets, which survive in perpetuity for so long as the information retains its character as a trade secret under applicable law. Disclosures permitted to insurers, lenders, sureties, attorneys, accountants, and prospective subcontractors / suppliers under written confidentiality undertakings.

ARTICLE 23 — PROJECT RECORDS, AS-BUILT DOCUMENTS, AND INTELLECTUAL PROPERTY

As-Built Records. Contractor shall continuously maintain, at the Site, a current set of red-lined as-built drawings and specifications reflecting changes during construction. The as-built record drawings and a BIM model where applicable, in editable native formats and PDF, shall be delivered to Owner as part of closeout.

Ownership. All as-built drawings, BIM models, project records, photographs, daily reports, RFI logs, submittal logs, schedule files, and other project records become the property of Owner upon delivery. Contractor may retain copies for its records and for use in defense of claims.

Architect / Engineer Documents. Drawings, specifications, and other instruments of service prepared by the Architect / Engineer remain the property of the Architect / Engineer under the separate professional services agreement; Owner is granted a license to use them for the construction, operation, maintenance, repair, and renovation of the Project. Contractor's use is similarly limited to the Project.

Document Retention. Each party shall retain all project records for at least *[Number, typically the state's longest applicable limitations or repose period, often 10–15]* years after Final Completion.

ARTICLE 24 — COMPLIANCE WITH LAWS

Contractor shall comply with all federal, state, and local laws, codes, ordinances, regulations, and lawful orders of any public authority applicable to the Work, including:

- a. The Occupational Safety and Health Act (OSHA) and state plan equivalents;
- b. Environmental statutes referenced in Section 7.5;
- c. Building, plumbing, mechanical, electrical, fire, energy, and accessibility codes adopted in the Project jurisdiction;
- d. The Americans with Disabilities Act (ADA) and applicable state accessibility laws (e.g., California Title 24, Texas Architectural Barriers Act);
- e. Prevailing-wage and certified-payroll laws (Section 7.6);
- f. Immigration laws and E-Verify obligations (Section 7.7);
- g. Equal-employment / anti-discrimination laws (Section 7.8);
- h. Anti-corruption laws including the Foreign Corrupt Practices Act and applicable state public-contract anti-kickback laws;
- i. Anti-human-trafficking laws (where Federal Acquisition Regulation 52.222-50 or state equivalent applies);
- j. Data privacy and security laws applicable to project information Contractor handles.

Contractor warrants that it and its principals are not debarred, suspended, or otherwise ineligible to participate in any federal, state, or local program in which the Project participates.

ARTICLE 25 — MISCELLANEOUS

Independent Contractor. Contractor is an independent contractor and not an agent, employee, partner, or joint venturer of Owner. Nothing in this Agreement creates a partnership or fiduciary relationship.

Waiver. No waiver of any breach or default shall be effective unless in writing, signed by the waiving party, and identifying the waived provision. No waiver of a particular breach is a waiver of any subsequent breach.

Cumulative Remedies. All rights and remedies are cumulative and may be exercised concurrently or successively.

Time of Essence. Time is of the essence for the performance of each obligation under this Agreement.

Interpretation. This Agreement is the product of negotiation between sophisticated parties and shall not be construed against the drafter. The terms "include," "includes," and "including" are not limiting and mean "including without limitation."

Further Assurances. Each party shall execute and deliver such additional documents, and take such further actions, as may be reasonably necessary to effectuate the purposes of this Agreement.

ARTICLE 26 — ADDITIONAL TERMS; STATE-SPECIFIC ADDENDA

The following state-specific addenda are incorporated by reference, as applicable to the Project State:

- a. State-Specific Mechanic's Lien and Notice Addendum (preliminary notice forms, lien deadlines, notice of right to claim lien);
- b. State-Specific Prompt-Payment Addendum (statutory payment timelines, interest, attorneys' fees);
- c. State-Specific Anti-Indemnity Addendum (limiting scope of Article 10 to maximum permitted);
- d. State-Specific Pay-If-Paid / Pay-When-Paid Addendum (Article 6 conformance);
- e. State-Specific Statute of Repose / Limitations Addendum;
- f. State-Specific Home Improvement Contract Addendum (if work is residential and subject to consumer-protection statutes, e.g., California Bus. & Prof. Code §7159; Massachusetts G.L. c.142A; New York General Business Law §770 et seq.);
- g. State-Specific Right of Rescission and Right to Cancel Addendum (for residential / consumer work);
- h. State-Specific Sales / Use / Gross-Receipts Tax Addendum;
- i. State-Specific Prevailing Wage / Certified Payroll Addendum;
- j. Any other addendum required by the Project State or by the Project type (federal, public works, lender requirements).

Additional Project-Specific Terms:

[Any additional project-specific provisions: special warranties, lender requirements, tenant coordination, owner's rules and regulations, LEED / WELL / Living Building requirements, P3 provisions, etc.]

SAMPLE — Contrf

SAMPLE — Contrf

— Contrf

SAMPLE — Contrf

SAMPLE —

SAMPLE — Contrf

SAMPLE — Contrf

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement, intending to be legally bound, as of the Effective Date.

CONTRACTOR:

[Contractor Legal Entity Name]
a [State] [Entity Type]

OWNER:

[Owner Legal Entity Name or Individual]
[If entity: a [State] [Entity Type]]

By: [Signature]

Name: [Printed Name]

Title: [Title]

Date: [Date]

By: [Signature]

Name: [Printed Name]

Title: [Title, if entity]

Date: [Date]

GUARANTOR (if applicable): The undersigned Guarantor executes a Guaranty in the form of **Exhibit I**, contemporaneously herewith.

[Guarantor Name]

By: [Signature]

Name: [Printed Name]

Title: [Title]

Date: [Date]

WITNESSES (if required by the Project State):

Witness 1 Signature: [Signature]

Print Name: [Name]

Date: [Date]

Witness 2 Signature: [Signature]

Print Name: [Name]

Date: [Date]

NOTARY ACKNOWLEDGMENT (where required, e.g., Florida and certain other states; useful for recordable instruments):

State of [State], County of [County]

The foregoing instrument was acknowledged before me this [Date] by [Name and Title] as the authorized signatory of [Party], who is personally known to me or who has produced [ID Type] as identification.

Notary Public Signature: [Signature]

Print Name: [Name]

My Commission Expires: [Date]

[SEAL]

SURETY ACKNOWLEDGMENT (if bonded): The undersigned Surety acknowledges the execution of this Agreement and the issuance of the Performance and Payment Bonds attached as **Exhibits D-1 and D-2.**

[Surety Name]

By: [Attorney-in-Fact Signature]

Name: [Name]

Power of Attorney attached.

Date: [Date]

SAMPLE — Contrf

SAMPLE — Contrf

— Contrf

SAMPLE — Contrf

SAMPLE —

SAMPLE — Contrf

SAMPLE — Contrf

LIST OF EXHIBITS

Exhibit	Title	Pages
A	Scope of Work, Specifications, and Drawings (cross-reference to Exhibit H Register)	[#]
B	Schedule of Values and Application for Payment Form (AIA G702 / G703 equivalent)	[#]
B-1	Labor Rates / Equipment Rates / Material Markup Schedule (for T&M and changes)	[#]
C	Project Schedule (Baseline CPM or Bar Chart) and Milestone Schedule	[#]
D	Insurance Requirements; Sample Certificates and Required Endorsements (CG 20 10, CG 20 37, etc.)	[#]
D-1	Performance Bond (AIA A312 or equivalent)	[#]
D-2	Labor and Material Payment Bond (AIA A312 or equivalent)	[#]
E	Lien Waiver Forms (Four Statutory Variants — Conditional Progress, Unconditional Progress, Conditional Final, Unconditional Final)	[#]
F	Preliminary Notice / Notice of Right to Claim Lien Forms (state-specific where applicable)	[#]
G	Approved Subcontractor / Supplier List	[#]
H	Drawings Register and Specifications Register	[#]
I	Guaranty Instrument (Parent / Affiliate Guaranty), if applicable	[#]
J	State-Specific Addenda Package (per Article 26)	[#]
K	Site-Specific Safety Plan (SSSP), Crane / Hoisting Plan, Traffic Control Plan, SWPPP, BIM Execution Plan (as applicable)	[#]
L	Owner-Furnished Items List, Delivery Schedule, and Risk-of-Loss Allocation	[#]

State-specific notes — Tennessee (TN)

The body of this document is a state-neutral template. The notes below reflect rules specific to Tennessee as of 2026-05-17. Confirm citations against the current state code; consult your attorney for application to your facts.

- **State mechanics' lien statute:** T.C.A. §§ 66-11-101 through 66-11-208
- **State prompt-pay act:** T.C.A. §§ 66-34-101 through 66-34-704 (Tennessee Prompt Pay Act)
- **Retainage cap:** 5.0% (state law)
- **Owner-to-prime payment deadline:** 30 days after timely application for payment