

Contracting Agreement

_____, referred to as OWNER, and _____, referred to as CONTRACTOR, agree as follows:

CONTRACTOR shall perform the following services for OWNER:

on the following estimated schedule:

for the following price: \$ ____ (_____ & ___/100 dollars)

Contractor shall be responsible for the following in addition to the workman like performance of the work stated above:

Provision of all permits required for the services to be performed above.

Provision of worker's compensation insurance, general liability insurance in a minimum amount of \$ _____ (_____ & ___/100 dollars).

The stipulated contract price shall be paid as follows:

When bona fide bills for materials are presented the same shall be paid directly by the OWNER within the terms provided. Labor shall be paid as follows:

The CONTRACTOR shall daily remove all trash and debris from the premises.

Any first mortgage or equity loan on the property in question shall be superior to any lien placed upon the property by Contractor. Contractor shall sign any necessary paperwork to enact this provision in favor of a first mortgage holder or equity loan holder.

Contractor will release any liens against the property upon completion and payment of 90% of the contract. The remaining 10% shall be due upon completion but not subject to a mechanic's or other such lien. Contractor shall sign all necessary paperwork to enact this transaction prior to receive the payment that brings it up to 90% payment.

This is the entire agreement between the parties and this agreement may only be altered in writing.

Dated: _____

Contractor

Owner

Contracting Agreement
Review List

This review list is provided to inform you about this document in question and assist you in its preparation. A contracting agreement need not be any more complicated than this one. In fact, more complexity usually leads to more disputes. In any event, provide the details of your agreement within this framework and you should be off and running. As an owner, simpler contracts tend to create less distrust and other problems. As a contractor, simpler contracts accomplish much of the same and tend to get the project moving because the potential customer is less wary of the agreement.

1. Make multiple copies. Give one to each signatory. Keep one in the related files.
2. Be sure to negotiate progress payments carefully. This is often the “rub” or sensitive point in these kinds of transactions.