

DRAFT AIA® Document A105® – 2017

Standard Short Form of Agreement Between Owner and Contractor

AGREEMENT made as of the « » day of « » in the year «2025 »

BETWEEN the Owner:

and the Contractor:

« Terence Paterson
Paterson Project Management Inc
2701 NE 42 St
Lighthouse Point, FL 33064
CGC1523473

for the following Project:

«

The Architect:

«

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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ARTICLE 1 THE CONTRACT DOCUMENTS

The Contractor shall complete the Work described in the Contract Documents for the Project. The Contract Documents consist of

- .1 this Agreement signed by the Owner and Contractor;
- .2 the drawings and specifications prepared by the Architect, dated « », and enumerated as follows:

Drawings:

Number	Title	Date

Specifications:

Section	Title	Pages

- .3 addenda prepared by the Architect as follows:

Number	Date	Pages

- .4 written orders for changes in the Work, pursuant to Article 10, issued after execution of this Agreement; and

.5 other documents, if any, identified as follows:

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 2.1 The Contract Time is the number of calendar days available to the Contractor to substantially complete the Work.

§ 2.2 Date of Commencement:

Unless otherwise set forth below, the date of commencement shall be the date of this Agreement.

« The Date of Commencement will be the date of Master Permit issuance from the City of -OR- the date of Piling Installation; whichever is the latter. »

§ 2.3 Substantial Completion:

Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion, as defined in Section 12.5, of the entire Work:

[« X »] Not later than « » (« ») calendar days from the date of commencement.

[« »] By the following date: « »

ARTICLE 3 CONTRACT SUM

§ 3.1 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work. Subject to additions and deductions in accordance with Article 10, the Contract Sum is:

« »

§ 3.2 For purposes of payment, the Contract Sum includes the following values related to portions of the Work:

Portion of the Work	Value
See Exhibit A – Schedule of Values	

§ 3.3 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and hereby accepted by the Owner:

§ 3.4 Allowances, if any, included in the Contract Sum are as follows:

Item	Price

§ 3.5 Unit prices, if there are any, are as follows:

Item	Units and Limitations	Price per Unit (\$0.00)
N/A		

ARTICLE 4 PAYMENTS

§ 4.1 Based on Contractor's Applications for Payment, the Owner shall pay the Contractor, in accordance with Article 12, as follows:

« Within 10 Calendar Days of Receiving the Application for Payment »

§ 4.2 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate below, or in the absence thereof, at the legal rate prevailing at the place of the Project.

« » % « »

§ 4.3 Owner will provide to Contractor a Deposit of \$ (Exhibit D) within five days of signing this Agreement, and such deposit will be applied to the first Application for Payment required by Owner.

§ 4.4 Contractor has the right to stop work if payment or written notice of payment dispute is not made within 10 calendar days from the application due date. See section 12.3 for more details.

ARTICLE 5 INSURANCE

§ 5.1 The Contractor shall maintain the following types and limits of insurance until the expiration of the period for correction of Work as set forth in Section 14.2, subject to the terms and conditions set forth in this Section 5.1:

§ 5.1.1 Commercial General Liability insurance for the Project, written on an occurrence form, with policy limits of not less than «Two Million » (\$ «2,000,000 ») combined single limit.

§ 5.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Contractor, with policy limits of not less than «Five Hundred Thousand » (\$ «500,000 ») per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance, and use of those motor vehicles along with any other statutorily required automobile coverage.

§ 5.1.3 The Contractor may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided that such primary and excess or umbrella insurance policies result in the same or greater coverage as those required under Section 5.1.1 and 5.1.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 5.1.4 Workers' Compensation at statutory limits.

§ 5.1.6 The Owner shall provide builder's risk insurance to cover the total value of the entire Project on a replacement cost basis.

§ 5.2 The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance and shall provide property insurance to cover the value of the Owner's property. The Contractor is entitled to receive an increase in the Contract Sum equal to the insurance proceeds related to a loss for damage to the Work covered by the Owner's property insurance.

§ 5.3 The Contractor shall obtain an endorsement to its Commercial General Liability insurance policy to provide coverage for the Contractor's obligations under Section 8.12.

§ 5.4 Prior to commencement of the Work, each party shall provide certificates of insurance showing their respective coverages.

§ 5.5 Unless specifically precluded by the Owner's property insurance policy, the Owner and Contractor waive all rights against (1) each other and any of their subcontractors, suppliers, agents, and employees, each of the other; and (2) the Architect, Architect's consultants, and any of their agents and employees, for damages caused by fire or other causes of loss to the extent those losses are covered by property insurance or other insurance applicable to the Project, except such rights as they have to the proceeds of such insurance.

ARTICLE 6 GENERAL PROVISIONS

§ 6.1 The Contract

The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written modification in accordance with Article 10.

§ 6.2 The Work

The term “Work” means the construction and services required by the Contract Documents, and includes all other labor, materials, equipment, and services provided, or to be provided, by the Contractor to fulfill the Contractor’s obligations.

§ 6.3 Intent

The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

§ 6.4 Ownership and Use of Architect’s Drawings, Specifications and Other Documents

Documents prepared by the Architect are instruments of the Architect’s service for use solely with respect to this Project. The Architect shall retain all common law, statutory and other reserved rights, including the copyright. The Contractor, subcontractors, sub-subcontractors, and material or equipment suppliers are authorized to use and reproduce the instruments of service solely and exclusively for execution of the Work. The instruments of service may not be used for other Projects or for additions to this Project outside the scope of the Work without the specific written consent of the Architect.

§ 6.5 Electronic Notice

Written notice under this Agreement may be given by one party to the other by email as set forth below.

« Written notice may come via email or Buildertrend to or from and to or from

»

ARTICLE 7 OWNER

§ 7.1 Information and Services Required of the Owner

§ 7.1.1 If requested by the Contractor, the Owner shall furnish any surveys completed by Owner and a legal description of the site.

§ 7.1.2 Permits will be obtained by Contractor and paid for by Owner. Permit Running from start to Master Permit issuance will be performed by Contractor and paid for by Owner at a total cost of \$. Permit running for revisions after permit issuance will be billed to Owner at \$ per hour. The Owner shall obtain and pay for all other necessary approvals, easements, assessments, and charges as well.

§ 7.1.3 Contractor may request all the required surveys, shop drawings, engineering, and plan revisions, but these documents will be signed for and **paid for by the Owner, as they are property of the Owner, not of the Contractor.**

§ 7.2 Owner’s Right to Stop the Work

If the Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor in writing to stop the Work until the correction is made.

§ 7.3 Owner’s Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, the Owner may withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the cost of correction, provided the actions of the Owner and amounts charged to the Contractor were approved.

§ 7.4 Owner’s Right to Perform Construction and to Award Separate Contracts

§ 7.4.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner’s own forces, and to award separate contracts in connection with other portions of the Project.

§ 7.4.2 The Contractor shall coordinate and cooperate with the Owner’s own forces and separate contractors employed by the Owner.

§ 7.4.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefore

ARTICLE 8 CONTRACTOR

§ 8.1 Review of Contract Documents and Field Conditions by Contractor

§ 8.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents. The Contractor represents that (1) the Contractor has authority to enter into the Agreement and perform the Work, (2) the Contractor is financially capable of completing the Work, and (3) the Contractor is not subject to any current litigation.

§ 8.1.2 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner. Before commencing activities, the Contractor shall (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to the Contractor with the Contract Documents; and (3) promptly report errors, inconsistencies, or omissions discovered to the Architect.

§ 8.2 Contractor's Construction Schedule

The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's information a Contractor's construction schedule for the Work that shall be **Exhibit C** to the Contract.

§ 8.3 Supervision and Construction Procedures

§ 8.3.1 The Contractor shall supervise and direct the Work using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work. All Work shall be performed by Contractor strictly in compliance with all codes, ordinances, permits and/or other governmental requirements.

§ 8.3.2 The Contractor shall not contract with any subcontractor or supplier to whom the Owner or Architect have made a timely and reasonable objection in writing. Contractor shall only engage properly licensed subcontractors and suppliers in connection with the work. Contractor shall record a Notice of Commencement in the Public Records of _____ County Florida prior to commencing any construction work. Contractor shall strictly comply with Construction Lien Law of Florida. (i.e. Chapter 713, F.S.), Contractor will maintain in effect and good standing all required licenses and insurance including, without limitation, Contractor's Florida General Contractor license CGC1523714. Upon request, Contractor shall furnish in writing to the Owner the names of subcontractors or suppliers who furnished labor or materials as part of the Work.

§ 8.3.3 If the Owner is insistent on using any subcontractors that the Contractor is unfamiliar with, the Contractor will supervise this subcontractor in the same manner in which they supervise other subcontractors on the job. However, the Contractor will not be responsible for the end product, the end result, or the warranty of Owner-hired subcontractors. The Contractor will not be held responsible if this subcontractor defaults in any way, including going out of business.

§ 8.4 Labor and Materials

§ 8.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work.

§ 8.4.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 8.5 Warranty

The Contractor warrants to the Owner and Architect that: (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract Documents. Any material or equipment warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 12.5. The warranties contained in this Section 8.5 shall remain in full force and effect for a period of one (1) year from date of Final Completion

§ 8.6 Taxes

The Contractor shall pay sales, consumer, use, and similar taxes that are legally required when the Contract is executed.

§ 8.7 Permits, Fees and Notices

§ 8.7.1 The Contractor has obtained or will obtain, and the Owner has or will pay for, the building permit and other permits and governmental fees, licenses, surveys, soil tests, special inspections, concrete testing, and inspections necessary for proper execution and completion of the Work.

§ 8.7.2 The Contractor shall comply with and give notices required by agencies having jurisdiction over the Work. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs. The Contractor shall promptly notify the Architect in writing of any known inconsistencies in the Contract Documents with such governmental laws, rules, and regulations.

§ 8.8 Submittals

The Contractor shall promptly review, approve in writing, and submit to the Owner or Architect shop drawings, product data, samples, and similar submittals required by the Contract Documents. Shop drawings, product data, samples, and similar submittals are not Contract Documents.

§ 8.9 Use of Site

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits, the Contract Documents, and the Owner.

§ 8.10 Cutting and Patching

The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly.

§ 8.11 Cleaning Up

The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work. At the completion of the Work, the Contractor shall remove its tools, construction equipment, machinery, and surplus material; and shall properly dispose of waste materials.

§ 8.12 Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, anyone directly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

ARTICLE 9 ARCHITECT

§ 9.1 The Architect will provide administration of the Contract as described in the Contract Documents. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 9.2 The Architect will visit the site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the Work, if requested by Owner

§ 9.3 The Architect will not have control over or charge of, and will not be responsible for, construction means, methods, techniques, sequences, or procedures, or safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

§ 9.4 The Architect has the authority to reject Work that does not conform to the Contract Documents.

§ 9.5 The Architect will promptly review and approve or take appropriate action upon Contractor's submittals, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 9.6 On written request from either the Owner or Contractor, the Architect will promptly interpret and decide matters concerning performance under, and requirements of, the Contract Documents.

§ 9.7 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from the Contract Documents, and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 9.8 The Architect's duties, responsibilities, and limits of authority as described in the Contract Documents shall not be changed without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

ARTICLE 10 CHANGES IN THE WORK

§ 10.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract, consisting of additions, deletions or other revisions, and the Contract Sum and Contract Time shall be adjusted accordingly, in writing. The Owner shall pay the Contractor the actual cost of the Change Order plus % Project Management, % Site Supervision, % Contractor Overhead, % Contractor Insurance, and % Contractor Profit.

§ 10.2 The Architect may authorize or order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Such authorization or order shall be in writing and shall be binding on the Owner and Contractor. The Contractor shall proceed with such minor changes promptly.

§ 10.3 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be subject to equitable adjustment. The Contractor shall have access to soil tests, permits, and site visits to ensure these are kept to a minimum. The Contractor represents that it has reviewed all relevant information, has inspected the site, and has otherwise done its diligence to ensure performance as required under this Agreement.

§ 10.4 If the changes in the work cause the job to increase substantially in either cost or in time, the contractor is permitted to add additional Site Protection and General Site Conditions & Clean Up as a change order at the same percentage as was charged in original contract.

§ 10.5 A contingency is an amount added to an estimate to allow for items, conditions, or events for which the state, occurrence, and/or effect are uncertain and that, in the Contractor's experience, will likely result in additional costs. Contingency items are not the fault of the Contractor, but due to discrepancies on the Architects, Engineers, Surveyors, or Designers plans or documents that are out of the Contractor's control.

****This contract / schedule of values has ZERO contingency. As a result, any of these items that may occur, will be added as a change order**

ARTICLE 11 TIME

§ 11.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§ 11.2 If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, force majeure or other causes beyond the Contractor's control, the Contract Time shall be subject to equitable adjustment. The contract time extension will be presented as a change order to the original 18 month contract, and the following fees will be charged:

Site Conditions: monthly fixed fee based on 18 month contract

Site Protection & Clean Up: monthly fixed fee based on 18 month contract

Project Management: monthly fixed fee based on 18 month contract

Site Supervision: monthly fixed fee based on 18 month contract

Contractor Overhead: monthly fixed fee based on 18 month contract

§ 11.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the responsible party.

ARTICLE 12 PAYMENTS AND COMPLETION

§ 12.1 Contract Sum

The Contract Sum stated in this Agreement, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 12.2 Applications for Payment

§ 12.2.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Owner an itemized Application for Payment for Work completed in accordance with the values stated in this Agreement. The Application shall be supported by data substantiating the Contractor's right to payment as the Owner may reasonably require, such as waivers of liens from, subcontractors for all work performed and/or materials supplied through that date. Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, at an off-site location. Deposits are often required by third parties and any such third-party deposits are to be paid as requested on Contractor's Application for Payment.

§ 12.2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or other encumbrances adverse to the Owner's interests.

§ 12.3 CERTIFICATES FOR PAYMENT

The Owner or their Agent will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue Payment in the full amount of the Application for Payment, to the Contractor; (2) issue to the Contractor a Certificate for Payment for such amount as the Owner or their Agent determines is properly due, and notify the Contractor in writing of the reasons for withholding certification in part; or (3) withhold certification of the entire Application for Payment, and notify the Contractor of the reason for withholding certification in whole. If certification or notification is not made within such seven day period, the Contractor may, upon seven additional days' send written notice to the Owner and provided such payment is not made during such seven day period, stop the Work until payment of the amount owing has been received. The Contract Time and the Contract Sum shall be equitably adjusted due to the delay.

§ 12.4 Progress Payments

§ 12.4.1 After the Contractor has submitted the Application for Payment, the Owner shall make payment in the manner provided in the Contract Documents.

§ 12.4.2 The Contractor shall promptly pay each subcontractor and supplier, upon receipt of payment from the Owner, an amount determined in accordance with the terms of the applicable subcontracts and purchase orders.

§ 12.4.3 Neither the Owner nor the Architect shall have responsibility for payments to a subcontractor or supplier.

§ 12.4.4 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the requirements of the Contract Documents.

§ 12.5 Substantial Completion

§ 12.5.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents. Substantial Completion is the date that Final Building Inspection is passed by the City of Building Department. **Completion date is NOT the date of Certificate of Occupancy issuance.**

§ 12.5.2 When the Contractor believes that the Work or designated portion thereof is substantially complete, it will notify the Owner to make an inspection to determine whether the Work is substantially complete. When the Owner

or their Agent determines that the Work is substantially complete, a Punch List will be created by Contractor and walked through with Owner or Agent to include any additional valid punch list items. All Punch List items will be completed within thirty (30) days subject to delays beyond the control of the Contractor. In the event that the Owner discovers additional items that were overlooked that would otherwise have appeared on the Punch List, such items shall be treated as warranty items, under the one (1) year warranty period.

§ 12.6 Final Completion and Final Payment

§ 12.6.1 Upon receipt of a final Application for Payment, the Owner or their Agent will inspect the Work. When he finds the Work acceptable and the Contract fully performed, he will promptly issue final Payment. Punch out items will be handled by the contractor but will not hold up final payment.

§ 12.6.2 Final payment shall not become due until the Contractor: (a) submits to the Owner final releases and waivers of liens, from all previous applications for payment from all subcontractors; and (b) delivers a final contractor's affidavit and release of lien pursuant to section 713.06(3)(d), F.S. confirming that all Work has been completed and all lienors under the direct contract with Contractor have been paid in full.

§ 12.6.3 Acceptance of final payment by the Contractor, a subcontractor or supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment

ARTICLE 13 PROTECTION OF PERSONS AND PROPERTY

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall take reasonable precautions to prevent damage, injury, or loss to employees on the Work and other persons who may be affected thereby, the Work and materials and equipment to be incorporated therein, and other property at the site or adjacent thereto. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

ARTICLE 14 CORRECTION OF WORK

§ 14.1 The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of correcting such rejected Work, including the costs of uncovering, replacement, and additional testing.

§ 14.2 In addition to the Contractor's other obligations including warranties under the Contract, the Contractor shall, for a period of one year after Substantial Completion, correct work not conforming to the requirements of the Contract Documents.

§ 14.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 7.3.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§ 15.1 Assignment of Contract

Neither party to the Contract shall assign the Contract as a whole without written consent of the other.

§ 15.2 Tests and Inspections

§ 15.2.1 At the appropriate times, the Contractor shall arrange, and the Owner shall bear the cost of tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

§ 15.2.2 If the Architect requires additional testing, the Contractor shall perform those tests, at Owner's expense.

§ 15.2.3 The Owner shall bear cost of tests, inspections, or approvals that do not become requirements until after the Contract is executed. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 15.3 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules.

ARTICLE 16 TERMINATION OF THE CONTRACT

§ 16.1 Termination by the Contractor

If the Work is stopped under Section 12.3 for a period of 14 days through no fault of the Contractor, the Contractor may, upon seven additional days' written notice (the "Notice Period") to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, and costs incurred by reason of such termination, unless the Owner makes the outstanding payment due under Section 12.3 within the Notice Period.

§ 16.2 Termination by the Owner for Cause

§ 16.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;
- .4 is otherwise guilty of substantial breach of a provision of the Contract Documents; or

§ 16.2.2 When any of the above reasons exist, the Owner, after consultation with the Architect, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may

- .1 take possession of the site and of all materials thereon owned by the Contractor, and
- .2 finish the Work by whatever reasonable method the Owner may deem expedient.

§ 16.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 16.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 16.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. This obligation for payment shall survive termination of the Contract.

§ 16.3 Termination by the Owner for Convenience

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed as defined herein. Amounts billable by the Contractor to the Owner at the time of such termination shall include the reasonable amount, based on the percentage of completion, to compensate Contractor for the Work actually performed prior to termination, and the balance of Project Management, Site Supervision, Project Clerical, and Contractor Profit will be paid at the same percentage.

ARTICLE 17 OTHER TERMS AND CONDITIONS

§ 17.1 Materials Price Increase

If, during the performance of the contract, the price of the material significantly increases or decreases, through no fault of the Contractor, the price shall be equitably adjusted by an amount reasonably necessary to cover any such significant price increases or decreases. The Owner shall pay the Contractor the actual cost of the material increases with no additional fees or profit added OR the Contractor shall credit the Owner the actual cost of the material decreases with no additional fees or profit added.

§ 17.2 Contract Sum Credit for Completion Delay

The Contractor agrees that the planned duration of Work shall not exceed the duration set forth in Section 2.3 which is 547 calendar days from the date of the issuance of master permit OR piling install (whichever is later) for the commencement of construction, or the date as modified under any Change Order for Additional Work ("Completion Deadline"). If the project duration exceeds the Completion Deadline, the Contract Sum shall be reduced by an amount equal to **\$100.00 for each day** after the Completion Deadline and until Substantial Completion. Any Change Order for Additional Work may provide for Contractor's proposed extension of the Completion Deadline due to the Change Order. In the event any Change Order fails to provide any extension of the Completion Deadline, the Completion Deadline shall remain as set forth in this Section.

17.3 Enforcement Costs. If any civil action or other legal proceeding is brought for the enforcement of the Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of the Agreement, the prevailing party shall be entitled to taxable cost as defined by Florida law and entitled to the recovery of reasonable attorney's fees. Any action or proceeding will be handled through arbitration and NOT litigation.

17.4 Counterparts; Electronic Signatures. The Agreement may be executed in counterparts by the parties, and upon such execution, each counterpart shall constitute an original. Further, execution and facsimile transmission of copies of the Agreement and notices thereunder shall constitute execution and delivery of an original.

17.5 TO THE FULLEST EXTENT PERMITTED BY LAW, EXCEPT FOR THE FOLLOWING LIMITED WARRANTY, ALL WARRANTIES REGARDING WORK PERFORMED BY THE CONTRACTOR, INCLUDING, BUT NOT LIMITED TO, STATUTORY AND IMPLIED WARRANTIES (INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE), ARE HEREBY DISCLAIMED BY CONTRACTOR AND WAIVED BY OWNER. THE LIMITED WARRANTY IS SUBSTITUTED IN PLACE OF ALL SUCH WARRANTIES. THIS MEANS THAT THE LIMITED WARRANTY IS THE ONLY WARRANTY THAT APPLIES AND GOVERNS OWNER'S AND CONTRACTOR'S RIGHTS AND OBLIGATIONS RELATED TO THE CONSTRUCTION AND THERE ARE NO OTHER WARRANTIES, EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW. OWNER AGREES THAT CONTRACTOR'S LIABILITY FOR ANY DEFECTIVE CONDITION WITH RESPECT TO THE WORK WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY OR OTHERWISE, IS LIMITED SOLELY TO CONTRACTOR'S OBLIGATIONS AND OWNER'S REMEDIES EXPRESSLY PROVIDED IN THE LIMITED WARRANTY. OWNER IS NOT WAIVING ANY WARRANTY APPLICABLE TO MATERIALS IN THE HOME THAT MAY BE PROVIDED DIRECTLY BY A MANUFACTURER. IF OWNER'S HOME IS SECURED BY FHA OR VA FINANCING, NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO WAIVE OWNER'S RIGHT TO HAVE A DISPUTE ARISING UNDER THE LIMITED WARRANTY ADJUDICATED IN A COURT OF LAW

17.6 THIS LIMITED WARRANTY SHALL BE FOR 1 (ONE) YEAR FROM THE DATE OF ISSUANCE OF FINAL CERTIFICATE OF OCCUPANCY FOR THE HOME.

This Agreement entered into as of the day and year first written above.

OWNER *(Signature)*

« »« »

(Printed name and title)

CONTRACTOR *(Signature)*

«Terence Paterson »« President »

LICENSE NO.: CGC1523714

JURISDICTION: Florida