

## SAMPLE HOMEOWNER/CONTRACTOR PROVISIONS

1. **HOLD HARMLESS.** Contractor shall agree to defend, indemnify, and hold harmless the Owner and \_\_\_\_\_ (lender), and the (City/State/County) from liability and claim for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from Contractor's Performance under this agreement to install or construct housing rehabilitation to be paid for out of the proceeds of the Owner's rehabilitation loan. Contractor is acting in the capacity of an independent Contractor with respect to the Owner.
2. **LIEN WAIVERS.** Contractor agrees to protect, defend, and indemnify Owner from any claims for unpaid work. Labor, or materials with respect to Contractor's Performance. Final payment shall not be due until the Contractor has delivered to the Owner complete release of all liens for work completed arising out of Contractor's Performance or a receipt in full covering all labor and materials for which a lien could be filed or a bond satisfactory to the Owner indemnifying him against any lien.
3. **CONTRACT AMOUNT AND PAYMENT SCHEDULE.** Payments will be scheduled as follows, subject to the Owner's acceptance of work done:

| Percent of Work Done (Amount) | Project Completion Date | Payment |
|-------------------------------|-------------------------|---------|
| Total                         | _____                   | _____   |

4. **TIME FOR PERFORMANCE.** Owner shall provide written authorization to Contractor to commence work. Contractor agrees to start work within \_\_\_\_\_ calendar days after receipt of a written Notice to Proceed. If Contractor fails to commence work within thirty (30) days of the date of the Owner's notification to commence, Owner shall have the right to terminate this Agreement. Such notice of termination shall be in writing.

Contractor agrees to complete work on or before \_\_\_\_\_ (date) (not to exceed \_\_\_\_\_ from the date work commences). If completion is delayed for reasons beyond the Contractor's control, Contractor shall provide timely notice to the Owner of the reasons for such delay. If such good cause is claimed by the Contractor, it shall be Contractor's obligation to substantiate its claim by adequate documentation.

In the event Contractor shall fail to complete work within the agreed upon period and fails to provide evidence of good cause for such delay, Owner shall have the right to declare Contractor in default. In such event, Owner shall be responsible for providing written notice to Contractor by registered mail of such default. If Contractor fails to remedy such default within fifteen (15) calendar days of such notice, Owner shall have the right to select a substitute Contractor. If the expense of finishing the work exceeds the unpaid balance on this Contract, the Contractor shall pay the difference to the Owner.

5. **CHANGE ORDERS.** Owner and Contractor expressly agree that no material changes or alterations in the description of work or price provided above shall be made unless in writing and mutually agreed to by both parties and authorized by the (City/State/County).
6. **PERMITS AND CODES.** Contractor agrees to secure and pay for all necessary permits and licenses required for Contractor's Performance and to adhere to applicable local codes and requirements whether or not covered by the specifications and drawings for the work, including any Contractor registration requirements.
7. **WARRANTY.** For good and valuable consideration, Contractor hereby agrees to provide a full one-year warranty to the Owner, which shall extend to subsequent owners of the property to be improved. The warranty shall provide that improvements hardware, and fixtures of whatever kind or nature installed or constructed on said property by the Contractor are of good quality and free from defects in workmanship or materials or deficiencies subject to the warranty contained in this paragraph provided. Contractor and Owner agree, however, that the warranty set forth in this paragraph shall apply only to such deficiencies and defects as to which Owner or subsequent owners shall have given written notice to the Contractor, as its principal place of business, within one (1) year from the date of Contractor's request for final payment, stating that all work under contract has been completed.

8. SCOPE OF WORK. Contractor acknowledges that it has prepared the Contractor's Proposal and that such proposal is accurate and consistent as to the name of Contractor, scope of work that the Contractor will undertake, and price. Contractor acknowledges the performance requirement established in the write up and warrants that all work undertaken will conform to said specifications.
9. REMOVAL OF DEBRIS. Upon completion of work. Contractor agrees to remove all construction debris and surplus material from the property and leave the property in a neat and broom clear condition.
10. SUBCONTRACTORS. Contractor agrees that all the warranties contained herein shall apply to all work performed under the Contract, including that performed by any Subcontractors.
11. RESOLUTION OF DISPUTES. All claims or disputes between the Owners and Contractor arising out of or related to the work shall be decided by arbitration in accordance with the construction industry arbitration rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. The Owner and Contractor shall submit all disputes or claims, regardless of the extent of the work's progress, to the American Arbitration Association/Better Business Bureau unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement, and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitration shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the Contractor, the arbitrator may award costs and attorney's fees in favor of the Contractor. If the award of the arbitrator is in a sum greater than that which was offered in settlement by the Owner, the arbitrator may award costs and attorney's fees in favor of the Owner.
12. PROHIBITION OF KICKBACKS. The Contractor nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm, or person to submit a collusive or sham Bid in connection with the Contractor for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm, or person to fix any overhead, profit, or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement, any advantage against the (City/State/County) or any person interested in the proposed Contract; and

The price or prices quoted are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

13. INTEREST OF MEMBERS, OFFICERS, EMPLOYEES OF PUBLIC BODY MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS. No member, officer, or employee of the Public Body, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under the Agreement.
14. PROHIBITION OF BONUS OR COMMISSION. The assistance provided under this Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining county approval of the application for such assistance.
15. ACKNOWLEDGMENT. The above warranties are in addition to, and not in limitation of, any and all other rights and remedies to which the Owner, or subsequent owners, may be entitled, at law or in equity, and shall survive the conveyance of title, delivery of possession of the property, or other final settlement made by the Owner and shall be binding on the undersigned notwithstanding any provision to the contrary contained in any instrument heretofore, and thereafter executed by the Owner.