

(CONTRACTOR NAME)
PA CONTRACTOR LIC. # PA _____

_____ (“Contractor”) and Homeowner named below enter into this Agreement (“Agreement”). Contractor agrees to furnish labor and materials for construction of specified improvements to Homeowner’s property, on the following agreed terms:

Description of project work and materials (refer to Exhibit A for additional information)

Date of Agreement:
Homeowner Name (print):
Co-Homeowner Name (print):
Project Address:
Project City, State:
Phone#: _____ Email: _____
Total Price:
Amount due at Start Date: ____ % of the cost of construction
Approx. Start Date:
Approx. Completion Date:

At this time, Contractor does not know the names, addresses and telephone numbers of all contractors.

Homeowner may contact the Pennsylvania Bureau of Consumer Protection at 1-888-520-6680, to obtain information about Contractor’s registration pursuant to the PA Home Improvement Consumer Protection Act.

This Agreement consisting of a total of 8 pages plus Exhibits constitutes the entire agreement between Contractor and Homeowner.

HOMEOWNER RIGHT OF CANCELLATION: Homeowner may cancel this Agreement at any time prior to midnight of the third business day after the date of this Agreement.

CONTRACTOR NAME

HOMEOWNER:

By: _____
_____, Authorized Signatory

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

Notice of Cancellation

Date of Agreement: _____, 20__ **Outside Cancellation Date:** _____, 20__

You may rescind and cancel this Agreement and sale transaction provided that you notify Contractor of your intention to do so by certified mail, return receipt requested, postmarked no later than 12:00 midnight of the third business day following the Date of Agreement (by the Outside Cancellation Date). You may cancel this transaction, without any penalty or obligation, within 3 business days from the above date. If you cancel, any property traded in, any payments made by you under the Agreement or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by Contractor of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to Contractor at your residence, in substantially as good condition as when received, any goods delivered to you under this Agreement or sale; or you may if you wish, comply with Contractor's instructions regarding the return shipment of the goods at Contractor's expense and risk. If you do make the goods available to Contractor and Contractor does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to Contractor or if you agree to return the goods to Contractor and fail to do so, then you remain liable for performance of all obligations under the Agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram to: **CONTRACTOR NAME**, _____, _____, PA _____, not later than midnight on the Outside Cancellation Date shown above.

Homeowner hereby cancels this Agreement, on _____, 20__:

HOMEOWNER:

By signing on page 1 of this Agreement and by initialing below, Homeowner acknowledges that it has been made aware of the right to cancel this Agreement.

_____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

Additional Agreement terms:

1. **Engagement of Contractor.** Homeowner and Contractor hereby agree that Contractor is engaged to serve as Homeowner's general contractor for the Project.

2. **Definitions.** The following definitions shall apply to this Agreement: The "Project" is as described on Exhibit A hereto. The "Work" is the performance and supply through independent subcontractors and Contractor's own forces of all work, labor, services, materials, supplies, equipment, general conditions, customary "soft costs" and insurances necessary to construct the Project, which Work is to be specified in the Contract Documents. The Work shall not include activities to be performed, or labor, services, materials, supplies and equipment to be supplied, by Homeowner hereunder, if applicable. "Work Charges" shall mean the contract charges for the Project Work. "Contractor" refers to any person or entity who or which performs and/or supplies a portion of the Work as an independent contractor pursuant to a trade contract with Contractor, or pursuant to a purchase order issued by Contractor and approved by Homeowner, as herein provided. "Contract Documents" shall be comprised of as they come into existence: this Agreement; the trade contracts; the general conditions, exhibits and schedules to said trade contracts; the purchase orders (together with terms and conditions thereof); the plans, drawings, and specifications prepared, approved, or reevaluated by any architect; all approved written or graphic interpretations, clarifications, amendments, and changes to any of the foregoing documents; change orders; and scope changes. "Drawings" shall mean as described on Exhibit A hereto.

3. **Contractor Services.** Homeowner engages Contractor to use its best skill and attention to manage and coordinate the Work and to provide construction services, all in accordance with this Agreement and all such that the Work will be timely and properly completed in accordance with this Agreement and the other Contract Documents. Homeowner shall pay Contractor as compensation for its services the contractor fee as set forth herein. The recommendations, advice, budgetary information and schedules to be furnished by Contractor under this Agreement shall not be deemed to be warranties or guarantees or constitute the performance of licensed professional services, but, nonetheless, such recommendations, advice, budgetary information and schedules shall represent Contractor's best knowledge and judgment relating to the construction of the Project. Notwithstanding any other provision hereof, in no event shall Contractor be responsible for any design errors or deficiencies in any of the Drawings prepared by any architect except to the extent such error or deficiency is attributable to the failure by Contractor to perform any of its express obligations hereunder. This Agreement is the principal document governing the relationship between Contractor and Homeowner, and in connection with such relationship, in the event of any conflict between this Agreement and any other Contract Document, this Agreement shall govern.

4. **Contractor Duties.** Contractor accepts the relationship of trust and confidence established between Contractor and Homeowner by this Agreement. Contractor recognizes the necessity of a close working relationship with Homeowner and agrees: to furnish the skill and judgment of its organization in the performance of this Agreement in furthering the interests of Homeowner. Contractor shall provide Contractor's knowledge, ideas, experience and abilities relating to the planning of the construction of the Project; furnish efficient business administration and superintendence; and use its best efforts to arrange for an adequate supply of workmen and materials, equipment, tools and other services and things to complete the Work in the best and soundest way and in the most expeditious and economical manner consistent with the interests and objectives of Homeowner and the Contract Documents. Contractor agrees to advise and make recommendations to Homeowner as follows: Contractor has provided to Homeowner a copy of the initial budget for the Project Work, as shown in the Project Cost Estimates set forth in Exhibit A, attached hereto. Homeowner acknowledges that the Project Cost estimates do not necessarily represent the actual costs which will be charged for the Work, but represent a target budget for the Work. The Project Cost Estimates do not yet reflect the pricing for Homeowner's actual selections of applicable products and materials. The budgets for the Project will be adjusted, from time to time, to reflect Homeowner's actual selections of applicable products and materials, and the related pricing, and/or any potential Change Orders, as described below. Both the Homeowner's actual selections of applicable products and materials and the pricing for those selections will be established as written amendments to this Agreement. As needed, Architect (if any) will prepare working Construction Documents setting forth in detail the requirements for the construction of the Project, and based upon codes, laws or regulations which have been enacted at the time of their preparation. Construction of the Project shall be in accordance with these Construction Documents as approved by Homeowner, as supplemented by the Homeowner's actual selections of applicable products and materials. The Construction Documents shall remain the property of Homeowner. During the design and pre-construction phases, Contractor's duties and services shall include scheduling, potential value engineering, attendance at meetings with Homeowner, Architect (if any) and others at reasonable times and places and as Homeowner shall otherwise request, coordination of efforts to obtain all

_____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

necessary permits, approvals, and licenses required for the construction, use and occupancy of each portion of the Project, attendance at meetings with governmental authorities and other persons and entities in connection therewith as required, preparation of construction-related presentations, reports and data for such meetings, preparation of all required written applications relating to construction as necessary or appropriate, and advising Homeowner in connection with all of the foregoing. Contractor agrees to furnish a staff for the overall administration, coordination, management, and superintendence of the Work. Contractor is not expected to have the expertise or responsibility of an architect or professional engineer. Contractor agrees to schedule and attend regular meetings with Homeowner at reasonable times and places and as Homeowner shall otherwise request, and to present reports on the progress of the Work. Contractor agrees to require each Contractor to perform and complete its respective portion of the Work in accordance with the Contract Documents pertaining to such Contractor. Contractor agrees to arrange for all work, labor, services, materials, supplies, and equipment necessary for the execution and completion of the Work. Contractor agrees to review and coordinate the safety programs of the subcontractors who shall have the primary obligation for Project safety. Contractor shall be the judge of performance and progress by subcontractors of their obligations under the Contract Documents, following consultation with Homeowner. The foregoing is not meant to nullify, restrict or modify any of Homeowner's rights hereunder. Contractor shall maintain at the Project site or at such other location convenient to Homeowner, on a current basis: a record copy of all Contracts, Drawings, Specifications, addenda, Change Orders and other Modifications, in good order and marked to record all changes made during construction; Shop Drawings; Product Data; Samples; submittals; purchases; materials; equipment; applicable handbooks; maintenance and operating manuals and instructions; other related documents and revisions which arise out of the Contracts or Work. Contractor shall maintain records, in duplicate, of principal building layout lines, elevations of the bottom of footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer. Contractor shall make all records available to Homeowner and the Architect (if any). Contractor shall arrange for delivery and storage at the site (to the extent practical), for all purchased materials, systems and equipment which are a part of the Project until such items are incorporated into the Project. Contractor shall observe the subcontractors' checkout of utilities, operational systems and equipment for readiness and assist in their initial start-up and testing. Contractor shall arrange for the appropriate subcontractors to assist in training Homeowner, as needed, to operate and maintain all systems and equipment, and shall monitor, as necessary, this training. After Substantial Completion of the Work has been achieved, Contractor shall coordinate the correction and completion of the Work remaining to be completed. Contractor shall evaluate the completion of the Work of the subcontractors. Contractor shall assist Homeowner and Architect (if any) in conducting final inspections. Contractor shall secure from subcontractors and transmit to Homeowner required guarantees, warranties, affidavits, releases, bonds and waivers. Contractor shall deliver all keys, manuals, record drawings and maintenance stocks to Homeowner. Contractor agrees to exercise such controls as may be necessary for proper financial management under this Agreement; the accounting and control systems shall be satisfactory to Homeowner. Contractor agrees to keep full and detailed Project books and records showing the charges billed to Homeowner for performance of the Work. Such Project books and records shall be open for inspection by Homeowner and its authorized representatives upon reasonable notice to Contractor and at reasonable hours at Contractor's office, and shall be retained by Contractor for a period of three years after the Work has been completed. Contractor shall use its best and reasonable efforts to see that Work at the Project jobsite is performed in accordance with customary safety standards.

5. **Change Orders.** Contractor agrees to prepare and issue change orders evidencing a change in a Contract Document or a direction to a Contractor with respect to the execution of the Work or the means, methods or pace of performing the Work, including without limitation, a request by Homeowner to vary from Homeowner's prior actual selections of applicable products and materials as reflected in the applicable written amendment to this Agreement. Such orders shall be signed by Contractor only on authorization by Homeowner, provided that Homeowner's prior authorization shall not be required with respect to any such order that is under \$2,000, and provided further that the aggregate amount of such orders with respect to which both (i) Homeowner's prior authorization is not required or obtained and (ii) Homeowner's ratification of such change order for purposes of this sentence is not obtained after such order has been issued, shall not exceed \$10,000. In all events, a copy of each such change order shall be given promptly to Homeowner by Contractor. Contractor shall have authority to direct that subcontractors work overtime and take such other steps as deemed by Contractor to be necessary to achieve timely progress of the Work (unless the necessity of such overtime or other steps in order to achieve timely progress of the Work is caused by acts or omissions of Homeowner, in which case Contractor shall not so direct unless authorized to do so by Homeowner). All change orders which increase the construction costs and any related costs, shall be paid for in full by Homeowner upon execution of the respective change order and before any change order work is commenced. The change order will include reasonable corresponding changes to the Construction Schedule and to the approximate Completion Date, and to the Plans and Specifications, as applicable.

_____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

6. **Warranty.** Contractor warrants to Homeowner that materials and equipment furnished by Contractor and subcontractors will be of first class quality and new unless otherwise required or permitted by the Contract Documents. Contractor will warrant that all materials, facilities, work, and equipment constructed and/or installed at the Project will be free from defects, will operate properly, and will meet or exceed all applicable codes and regulation, for a period of one (1) year after the date of Substantial Completion. Contractor will provide to Homeowner the warranties, guarantees and operating instructions given by all manufacturers, suppliers, subcontractors, and material suppliers. To the extent not covered by the foregoing, Contractor will, at its own expense, promptly repair or replace any item found to be defective during the warranty period. Where defects occur, Contractor shall assume responsibility for all repairs to or replacements of other portions of the Work made necessary by such defects, and for all expenses incurred in repairing and replacing other components of the Project that were not part of the Work but were affected by such defects and shall otherwise be in form and substance reasonably satisfactory to Homeowner. Contractor agrees to use its best efforts to cause each Contractor to perform such guarantees and warranties as are set forth in the Contractor's trade contract or purchase order, and to assign any such guaranty or warranty to Homeowner upon request (whether or not expenses incurred by Contractor in connection with its efforts and actions required hereunder shall be borne by Contractor or are Reimbursable Costs hereunder). Excluded from Contractor's warranty are (a) nail pops occurring after a one-time remediation endeavored during the warranty period, (b) water infiltration issues due to landscaping or regrading by Homeowner and/or its agents, (c) cracks in concrete or block less than 1/8 inch wide and (d) any defects caused by actions or negligence by Homeowner and/or its agents. Homeowner agrees to provide Seller with prompt written notice of any warranty claim and prompt reasonable access to the Property after Settlement in order to facilitate remedial actions by Contractor. Should Contractor refuse or neglect to correct the work within a reasonable time after receiving notice requesting such remedial work during the Post Completion One Year Warranty, Homeowner shall be entitled to remedy the problem at the expense of Contractor, and Contractor shall be liable to Homeowner for the costs and expense of such remedial work. This Warranty by Contractor is in addition to, and not in substitution for, any other rights or remedies which Homeowner may have at law or equity.

7. **Disclaimer.** Contractor shall not be responsible for the consequences of any of the following events, but only to the extent (a) such events do not arise out of the negligence or willful misconduct of Contractor or any breach by Contractor of this Agreement, and (b) such events are beyond Contractor's reasonable control: Acts of God (such as tornado, flood, hurricane, etc.); fires and other casualties; Homeowner's, acts, omissions to act, or failures to timely act; strikes, lockouts or other labor disturbances (except to the extent taking place at the Project site only); riots, insurrections, and civil commotions; embargoes; shortage or unavailability of materials, supplies, labor, equipment and systems that first arise after the date hereof, but only to the extent caused by another act, event or condition covered by this sentence; sabotage; vandalism; the requirements of laws, statutes, regulations and other legal requirements enacted after the date of this Agreement (unless Contractor should, in the exercise of due diligence and prudent judgment, have anticipated such enactment); orders or judgments; and any other similar types of events. Upon the occurrence of any event described in the preceding sentence, Contractor shall (i) promptly advise Homeowner of such event, (ii) use diligent efforts to mitigate the consequences of such event, (iii) keep Homeowner advised of such efforts taken, and (iv) notify Homeowner when such event has ceased.

8. **Insurance.** The following insurance will be provided by the parties: Contractor's Liability Insurance. Contractor agrees to keep in force, at its expense (subject to reimbursement by Homeowner), during the entire period of construction on the Project, Two Million Dollars (\$2,000,000.00) of "Builder's Liability Insurance" to protect it from claims under workmen's compensation and other employee benefit laws (with Homeowner to be named as Additional Insured), for bodily injury and death, and at least Three Million Dollars (\$3,000,000.00) for property damage, that may arise out of the Work under this Contract, whether directly or indirectly by Contractor, or directly or indirectly by a subcontractor. The minimum liability limits of such insurance shall be the greater of the limits specified herein or in the Construction Loan Agreement, if applicable, or by law for that type of damage claim. Such insurance shall include contractual liability insurance applicable to Contractor's obligations under this Agreement. Homeowner's Liability Insurance. Homeowner agrees to maintain in force a minimum of \$300,000 liability insurance during the construction on this Project, and reserves the right to purchase such additional insurance as in its opinion is necessary to protect it against claims arising out of Contractor's operation, without diminishing Contractor's obligation to carry the insurance specified herein on its part to be carried. Waiver of Work Site Property Damage Claims to Extent of Insurance Coverage. Homeowner and Contractor hereby waive all claims against each other for fire damage or damages from other materials covered by insurance provided as aforesaid. Certificates of Insurance with respect to the foregoing insurance will be submitted or be available to the other party prior to commencement of the Work, and shall provide that the other party shall be given thirty (30) days prior written notice of cancellation, non-renewal or material change.

9. **Payments and Fees for Project Work.** Contractor shall be entitled to receive, as payment for the _____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

Project Work, the stipulated sum set forth in Exhibit B, attached hereto and made a part hereof, as payment of all direct costs, indirect overhead costs, and fees for the Project. Upon execution of this Agreement, Homeowner shall pay Contractor the amount of \$TBD to be applied to the latest payments and fees to become due for the Work. Upon completion of all Work and full payment by Homeowner, Contractor shall provide to Homeowner (a) executed releases from all subcontractors and material suppliers, (b) an affidavit that such releases being given are from all of the subcontractors and material suppliers for the Project, and (c) a executed release by Contractor.

10. **Applications For Payment.** The requisitioning procedure shall be as follows: Contractor agrees to submit to Homeowner a Project Application for Payment which shall include (i) the applications in the amount approved by Contractor, for Work completed or estimated to have been completed as of the end of the preceding month and for delivered, accepted and stored materials, less applicable deductions (if any), and (ii) all amounts due Contractor hereunder, without retention. Within ten (10) business days after the submission of the Project Application for Payment, Homeowner shall pay to Contractor the sums due Contractor. If Homeowner, acting reasonably, disapproves a portion of the said Project Application, Homeowner shall give Contractor written specification, of the amount disapproved and the reasons therefor, and the balance of the Application shall be paid within said ten (10) business days period. Homeowner may not arbitrarily issue a disapproval. Invoices will be submitted monthly and due upon receipt by Homeowner. Contractor agrees to submit one, and only one, Project Application for Payment per month, provided that if Homeowner so requests, Contractor shall submit one (1) Project Application for payment per month. If Homeowner should fail to pay Contractor within seven (7) days after the expiration of the ten (10) business day period described in Section 10, then, unless Homeowner has objected to such payment in writing as provided above, (a) interest shall accrue on the amount due from the last day of such 7-day period until such amount is paid at the rate of ten percent (10%) per year and (b) in addition to such other remedies as Contractor has hereunder, Contractor may, upon seven (7) additional days written notice to the Homeowner, stop the Project until payment of the amount owing has been received.

11. **Homeowner's Duties and Rights.** Whenever Contractor submits a plan, proposal, specification, drawing or request for information or clarification (collectively "RFI's"), Homeowner shall respond within seven (7) days (or within fourteen (14) days if it is not reasonably feasible for Homeowner to respond within seven (7) days, so long as Homeowner uses diligent efforts to give Contractor within seven (7) days a written explanation as to why a response is not reasonably feasible within seven (7) days), either graphically or in writing, with such information, clarification, approval, rejection or other decision as required. If any RFI is first submitted from Homeowner to Contractor, Contractor shall promptly submit such RFI to Homeowner. Contractor shall keep accurate records with respect to all RFI's, such records to include a log noting when each RFI is submitted to Homeowner, when a response is received and what such response is, and, if applicable, when such RFI was received from Contractor. Homeowner shall use all reasonable efforts to provide Contractor with accurate and complete information regarding its requirements for the Project, recognizing, however, that the Project is a continuing development and that needs and requirements may change as the Project progresses. Homeowner shall have the right to communicate with subcontractors during the construction period, provided that (a) Homeowner shall give Contractor a reasonable opportunity to be present at any such oral communication and shall deliver to Contractor a copy of any such written communication, and (b) Homeowner shall not direct subcontractors except through Contractor. Homeowner, from time to time and without invalidating this Agreement or the Contract Documents, shall have the right to order (in writing) changes in the Work consisting of: changes to the Assumptions; additions, deletions, and modifications in the Work; work which must be performed in respect of unforeseen conditions. Such changes shall be known as "Scope Changes." If a Scope Change is ordered, Homeowner and Contractor shall in good faith attempt to agree on the appropriate adjustment (if any) to the time period for achieving Substantial Completion referred to above. If Homeowner learns of or observes a fault or defect in any of the Work, Homeowner shall notify Contractor in writing of the fault or defect, and Contractor agrees to either promptly correct such fault or defect (if the fault or defect is attributable to Contractor's own forces) or direct the subcontractor(s) involved to make such corrections.

12. **Termination.** Contractor may terminate this Agreement in the event: (1) Homeowner has materially breached this Agreement and Homeowner has been given written notice, in hand or by certified mail, seven (7) calendar days before the proposed date of such termination, of Contractor's intent to terminate; provided, however, that Homeowner may cure its default at any time prior to the proposed date of the termination, in which event the termination notice shall be deemed withdrawn and of no force or effect; (2) Homeowner transfers title to, or there is a ground lease of, the Project or any portion thereof, and the transferee or lessee, as the case may be, does not assume in writing all obligations of Homeowner under this Agreement; or (3) if the Project is stopped for a period of thirty (30) consecutive days under an order of any court or other public authority having jurisdiction, or as the result of an act of government. If Contractor materially breaches any provision of this Agreement or fails substantially to perform in accordance with its terms, then Homeowner may, without prejudice to any other right or remedy Homeowner may have under law or this Agreement and after giving Contractor seven days' written notice, during which period Contractor fails to cure the violation

_____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

(or, in the case of any default which cannot be cured with all due diligence within such seven-day period, within such longer period as may be necessary to cure such default with all due diligence provided that Contractor begins to cure within such seven-day period and thereafter continues with due diligence), terminate this Agreement and, provided that all required payments by Homeowner to Contractor will have been made in good funds, take possession of the site and of all materials, and may finish the Project by whatever method Homeowner may in good faith deem expedient (or may elect to not finish the Project). In the event of any such termination, Contractor shall execute and do all such assurances, acts and things as Homeowner may in its good faith judgment consider expedient to facilitate Homeowner's taking of such possession. In particular, and without limitation, Contractor undertakes and agrees that it shall, upon Homeowner's request, execute assignments as beneficial owner to Homeowner (or to its designee), without further payment, of all trade contracts designated by Homeowner in such request, and of all subcontractors' guarantees and warranties, and shall give all notices, orders and directions which Homeowner may in good faith think expedient for the purposes hereof. Either party may terminate this Agreement, without cause, by giving thirty (30) calendar days written notice, in hand or by certified mail, to the other party. In the event of any termination of this Agreement, Homeowner shall make any payments then due and unpaid or thereafter due to Contractor. If this Agreement is terminated by Homeowner, Homeowner shall be liable for and pay to Contractor the Contractor payment portion billed to the date of termination (with an appropriate prorated amount for any partial month) provided that if this Agreement is terminated by Homeowner pursuant to this subparagraph then Homeowner shall also be liable for and shall pay to Contractor all reasonable "demobilization" costs and expenses incurred by Contractor as a result of such termination. The provisions of this subparagraph shall survive the termination of this Agreement. Upon termination of this Agreement and payment by Homeowner of such sums as may be owing to Contractor and upon release of Contractor by Homeowner of any liability for acts or work occurring after said termination, all of Contractor's right, title, and interest, if any, in and to each of the trade contracts and purchase orders shall be assigned to Homeowner together with any applicable warranties and guarantees, as Homeowner may direct in writing.

13. **Security Deposit.** Notwithstanding anything contained in this Agreement to the contrary, Homeowner agrees to establish a security deposit for the protection of Contractor, as stated herein. Upon execution of this Agreement, Homeowner agrees to deposit in escrow with the Contractor's attorney ("Escrow Agent"), an amount equal to twenty (20%) percent ("Security Deposit") of the estimated total cost of the Project Work. Escrow Agent shall place the Security Deposit into a government-insured, interest-bearing money market account at a reputable banking institution. The Security Deposit shall remain in standing escrow until (a) the occurrence of one of more of a "Disbursement Event" as defined below, (b) the completion of all of Homeowner required payments to Contractor for the completed Project Work (in which latter event, Homeowner may deliver a written notice directing Escrow Agent to disburse immediately to Homeowner the remainder of the Security Deposit), or (c) upon Homeowner's failure to cause construction of the Project Work to begin by not later than _____, 20____, or to be completed by not later than _____, 20____ (in which event of (c), this Agreement shall terminate and Contractor shall accept the Security Deposit as liquidated damages and not a penalty). Unless any Security Deposit disbursements are actually made to Contractor, all interest on the Security Deposit shall accrue to the Homeowner. For purposes of this Agreement, a "Disbursement Event" shall mean any time Homeowner will have failed to make any required payment when due to Contractor in violation of the terms of this Agreement, and Homeowner also will have failed to cure the payment default within a cure period of seven (7) calendar days after the expiration of the ten (10) business day period described in Section 10, and after Homeowner's receipt of written notice of default from Contractor. Upon a Disbursement Event, Contractor may deliver a written notice to the Homeowner and Escrow Agent directing Escrow Agent to disburse immediately to Contractor from the Security Deposit, the amount equal to the amount of the unpaid but required payment then due to Contractor. Any payment under a Disbursement Event shall not diminish or waive any rights, defenses or claims that the Homeowner has against the Contractor for breach of the Agreement or otherwise. Any dispute by Homeowner or Contractor regarding a prospective disbursement by Escrow Agent shall not interfere with the making of such disbursement, but such dispute shall be resolved by the dispute resolution procedures set forth in this Agreement. The Escrow Agent shall not be liable for any mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence. The Homeowner and Contractor, jointly and severally, agree to protect, defend, and indemnify the Escrow Agent, and hold it harmless, from and against any and all claims, liabilities, losses, actions, damages, suits or proceedings, at law or in equity, and any and all expenses, fees, or charges of any kind or character, which Escrow Agent may incur or with which Escrow Agent may be threatened by reason of any matter arising out of, connected with, or related to its acting as Escrow Agent hereunder, to include, but not being limited to, reasonable attorney's fees and costs for all proceedings, trials and appeals. This sets forth exclusively the duties of Escrow Agent and no implied duties or obligations shall be read into this Agreement against Escrow Agent. The Escrow Agent shall not be deemed to have notice or knowledge of any fact hereunder unless written notice thereof is delivered to it. If any attachment, garnishment, or sequestration is instituted or procured respecting any money deposited with the Escrow Agent and a writ, order or rule of attachment, garnishment, or sequestration is levied upon such money while held

_____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

by Escrow Agent, the parties hereto shall not contest the right of Escrow Agent to file a bill of interpleader and to deposit such money in court in such suit. Escrow Agent shall thereupon be discharged from all obligation to account for such money so deposited. Upon the institution of any such proceeding, Escrow Agent shall have a lien upon such money for a sum sufficient to pay the costs, reasonable counsel fees, and necessary disbursements in connection with any such proceeding. Escrow Agent shall not be compensated for its services in holding the escrow funds hereunder, but shall be reimbursed by the Homeowner and Contractor for its reasonable expenses, disbursements or advances incurred or made by it in performance of its duties hereunder, including reasonable fees and expenses. Escrow Agent does not have, and will not have, any interest in the escrow funds, but is serving only as escrow holder and having only possession thereof.

14. **Formalities.** This Agreement shall inure to the benefit of and be binding upon the parties hereto, and each of their heirs, executors, administrators, successors and assigns. This Agreement constitutes the entire understanding between the parties hereto and the parties shall not be bound by any agreements, understandings or conditions respecting the subject matter hereof other than those expressly set forth and stipulated in this Agreement. No warranty or representation not set forth in this Agreement has induced any party to execute this Agreement. All terms, conditions, warranties and representations regarding this transaction are contained in this Agreement. No modification of this Agreement shall be effective unless evidenced by a writing signed by the parties hereto. The descriptive headings used herein are for convenience and reference only, and are not intended to have any effect whatsoever in determining the rights or obligations of the parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. A signature appearing on a photocopy, Telefax copy or portable document format (pdf) copy of this Agreement shall be as effective as an original signature thereon. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania. Any notice given pursuant to this Agreement shall be valid only if given in writing by telefax and by certified mail with sufficient postage attached, return receipt requested, or by reputable overnight carrier, to the address set forth in this Agreement or to the last known address. The parties hereto agree to keep the terms and substance of this Agreement confidential, and to refrain from disclosing any such information to third parties other than the agents, employees or professional advisors of the parties hereto. The parties hereto have been provided a reasonable time period and an opportunity to have legal counsel review this Agreement, and the parties hereto have so arranged for representation by legal counsel or have waived the opportunity to do so. The failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect in any way the full right to require such performance at any time thereafter, nor shall the waiver by any party of a breach of any provision of this Agreement be held to be a waiver of the provision itself. Should any provision of this Agreement or the application thereof, to any extent, be held invalid or unenforceable, including without limitation pursuant to the Pennsylvania Home Improvement Act, as amended from time to time, the remainder of this Agreement and the application thereof other than those provisions as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue valid and enforceable to the fullest extent permitted by law or equity. The relationship of the parties hereto shall be construed as a relationship between independent parties, and not as a partnership or joint venture. Unless expressly contemplated in this Agreement, neither party hereto shall have the right or authority to bind the other party with regard to any subject matter. The parties hereto shall be obligated to perform all other acts and to execute and deliver all other documents as may be necessary or appropriate to carry out the intent and purposes of this Agreement. All Drawings are and shall remain the property of Homeowner. Nothing contained in this Agreement shall be deemed to create a contractual relationship with or a cause of action in favor of any third party against Contractor or Homeowner. Each of the persons constituting the Homeowner is jointly and severally responsible for Homeowner's obligations under this Agreement.

_____ (Homeowner initials)

(CONTRACTOR NAME)

Homeowner Last Name (print):
Project Address:
Date of Agreement:

EXHIBIT A – THE PROJECT AND THE WORK