**Sample Construction Contract**

**CONSTRUCTION AGREEMENT**

This Construction Agreement ("Agreement") is made and entered into on this **1st day of March, 2025**, by and between:

* **Owner:** ABC Real Estate LLC, with principal offices at 123 Main Street, New York, NY.
* **Contractor:** XYZ Builders Inc., with principal offices at 456 Builder Avenue, Brooklyn, NY.

**1. Scope of Work**

Contractor agrees to furnish all labor, materials, and equipment necessary to complete the construction of the Sunshine Mall Project, as described in Exhibit A attached hereto.

**2. Completion Date**

The Contractor shall achieve **Substantial Completion** of the project no later than **November 30, 2025**.  
Failure to meet this deadline shall result in **liquidated damages** of **$5,000 per calendar day** of delay.

**3. Contract Sum and Payment Terms**

The Owner shall pay the Contractor a **fixed sum of $8,500,000**, subject to progress payments upon the achievement of milestone completions outlined in Schedule 1.

The final **retainage** payment (5% of contract sum) shall be released upon:

* Final Inspection by Owner,
* Submission of As-Built Drawings,
* Completion Certificate issuance.

**4. Changes in the Work**

All changes must be documented by a **written Change Order** signed by both parties prior to execution of the additional work.  
Unauthorized changes shall not be compensated.

**5. Quality of Work**

All work must conform to industry standards and applicable codes.  
The Contractor shall promptly correct defective work at its sole cost.

**6. Force Majeure**

Neither party shall be liable for delay or default under this Agreement caused by events beyond their reasonable control, including but not limited to acts of God, war, civil unrest, labor strikes, or governmental orders.

Extensions of time shall be granted for verified force majeure events.

**7. Termination**

The Owner reserves the right to terminate this Agreement **without cause**, upon providing seven (7) days’ prior written notice.  
Upon termination, the Contractor shall be entitled only to compensation for properly executed work to date.

**8. Dispute Resolution**

Any dispute arising out of this Agreement shall first be submitted to **mediation**.  
If not resolved within 30 days, disputes shall be settled by **binding arbitration** in New York County under the AAA Construction Arbitration Rules.

**9. Indemnification**

The Contractor shall indemnify and hold harmless the Owner from any claims arising out of the performance of the work, except to the extent caused by the Owner’s sole negligence.

**10. Governing Law**

This Agreement shall be governed by the laws of the State of New York.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**ABC Real Estate LLC**  
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**XYZ Builders Inc.**  
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_