



GC License # 68548
140 Towerview Court, Suite 106
Cary, NC 27513

is/are the homeowner(s) located at

("Owner"), and Noble Realty, Inc. dba **NOBLE RENOVATION** ("Contractor"), located at 140 Towerview Court, Suite 106, Cary, North Carolina 27513 desire to enter into an agreement.

Owner Phone:

Owner Email:

Owner Phone:

Owner Email:

1. **JOB DESCRIPTION:** Contractor shall perform the work ("Project") identified on the attached scope of work, incorporated by reference.

2. **PAYMENT SCHEDULE:** The Contract Price is money which shall be paid according to the following schedule:
 - a. Deposit
 - b. Draw 2
 - c. Draw 3
 - d. Draw 4
 - e. Draw 5 (if necessary)
 - f. Filler draw payment if balance of job is over budget
 - g. Final amount due at completion of Project:

TOTAL PAYMENTS:

Owner shall be separately responsible for all costs associated with changes. While recommended, a written change order is not required to establish Owner's liability for changes or allowance overages.

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3. ESTIMATED START AND COMPLETION DATES:

The Project's start and completion timeline are dependent on permit approval, weather, contractor, changes, subcontractor workload, and materials availability (i.e., cabinetry, windows, doors, plumbing and electrical fixtures, and tile materials).

Start on or about

Completed on or about:

Contractor shall not be responsible for delays in the progress of the Project due to requested changes, other unavoidable casualties, or any causes beyond the Contractor's control. By way of illustration and not limitation, causes may include labor disputes, unusual delay in deliveries, road/transportation blockage, power/internet outage, civil unrest, including police or military action - as well as resulting from terrorist activity, government order/shutdown, public health situation/pandemic, fire, and abnormal or adverse weather conditions/events not reasonably foreseeable. Time is not of the essence for this provision.

4. SUBCONTRACTORS:

Contractor shall use insured subcontractors but is solely responsible for supervising all work and ensuring the project meets quality and industry standards. Subcontractors shall perform their scope of work independent of Owner's supervision. Contractor must hire licensed and fully insured MEP's (Mechanical, Electrical and Plumbers), as required in North Carolina.

5. SITE MAINTENANCE:

At the end of each day's work, Contractor agrees to clean up and organize debris from the work area and leave all appliances and facilities in good working order, unless agreed by Owner. Some jobs required the use of a dumpster; some do not. Only construction debris is allowed in dumpster. Contractor reserves the right to utilize leftover space in the final project container at their discretion.

6. GENERAL LIABILITY/WORKERS COMPENSATION/BUILDER'S RISK INSURANCE:

Contractor and subcontractors shall maintain Workers' Compensation and General Liability insurance coverage.

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7. INDEMNIFICATION (HOLD HARMLESS) CLAUSE:

Owner acknowledges that construction sites are potentially dangerous. Owner, therefore, agrees to reasonably avoid dangerous areas while construction is in progress and to exercise due diligence in keeping others from these areas. If Owner, and/or persons allowed on the premises by Owner, enter the work area at any time, they do so at their own risk and Owner agrees to hold Contractor harmless from any personal injury or property damage that might result.

8. PERMITS AND HOA APPROVALS:

- ✓ Contractor will submit for permit, pay all related fees, and coordinate all required inspections.
- ✓ **Permit application fees** are independent of permit costs/fees
- ✓ Owner is solely responsible for obtaining approval from their local homeowner's association, if required for their project. Note: Owner may need to supply current survey for HOA and/or Municipality approval. Cost of survey not included and would be Owner's responsibility.

9. SITE ACCESS:

- ✓ Owner agrees to provide reasonable access (inside and outside) to the property for work. Typical methods of entry provided to contractor include: an extra key, key code entry, and My Q garage remote entry.
- ✓ Restricting the Contractor or subcontractors' access to the work areas of the house to only when the Owner is present is not deemed reasonable access.
- ✓ Contractor shall perform on site work roughly between the following hours: (Monday-Friday: 8am - 5pm)
- ✓ Contractor **has the option** to work on weekends to meet project goals between the hours of 8am - 5pm.
- ✓ Contractor **will consult with Owner** about weekend work should it be requested by a subcontractor.

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10. WORKMANSHIP, STANDARDS AND MATERIALS WARRANTY:

The **2018** North Carolina State building codes and residential building Standards for residential construction are designed to establish realistic expectations of the construction process, finished product, and provide criteria for the material and workmanship standards to be expected.

All work should be performed in a professional and workmanship like manner, while also conforming to the standards set forth in the National Association of the Home Builders publication titled "RESIDENTIAL CONSTRUCTION PERFORMANCE GUIDELINES" (current edition). Owner agrees that it is not possible for materials and workmanship to be perfect, and the imperfections occur as an ordinary part of construction process and the nature of the material used.

In the event there is a dispute regarding the quality of work being performed or the materials being utilized, the parties shall refer to this publication for guidance to settle the issue. Owner shall provide Contractor their concerns in writing; Contractor shall remedy the issue in accordance with the Guideline standards.

If an issue complies with the North Carolina State building codes, standards, and the Residential Performance Guidelines; Owner shall accept the material and workmanship.

11. OWNER EXPECTATIONS:

- ✓ Owner understands during all construction phases that personal property such as the lawn, landscaping, furniture, vehicles, floors, artwork, and so on may get dusty, dirty, or damaged if not moved or protected. Best efforts will be used to avoid damage to lawn.
- ✓ If demolition work is required, the work area will appear bare, disorderly, and unsightly during the week, as some components of the house will lose functionality temporarily.
- ✓ Owner accepts typical construction noise and job site conditions in the construction process.
- ✓ Driveway access may be needed for material delivery trucks or delivery equipment.
- ✓ Owner is advised that delivery equipment vehicles can leave **tire marks** on driveway.

12. COMMUNICATION WITH CONTRACTOR AND IT'S SUBCONTRACTORS:

Owner understands and agrees that all communication concerning the job status, job changes, pricing, or any other job issues outlined in this Contract, shall only be between the Owner and Contractor (job superintendent or principals). Contractor is not held liable for discussions or agreements made between Owner and any other parties including Contractor's hired sub or specialty contractors, Contractor's suppliers, or other Contractor's employees.

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13. MERGING NEW WORK AND OLD/EXISTING:

Where new or remodeled areas meet, merge, or connect to the existing home, the Owner understands it is impossible for the Contractor to make these intersections completely unnoticeable, but Contractor will try to avoid unreasonable transitions. **Common Examples:** merging shingles, old and new paints, tiles and grouts, concrete, brick and mortar, stone, deck boards, stains, and siding. Variations in transitions is not defective work.

14. DELIVERY OF DRYWALL MATERIAL TO A BASEMENT OR ATTIC:

Owner understands the challenge of getting drywall to basement or 3rd floor attic. Contractor shall seek Owner's permission to allow access to delivery vendor on the driveway to deliver drywall into the house. Note: Owner understands drywall is very heavy material and the potential for cracking the driveway or culvert pipe is possible. If Owner denies driveway access to avoid possible cracks to driveway, the Owner agrees to pay extra labor/delivery charges.

15. LANDSCAPING AND DRAINAGE:

Any landscaping services such as irrigation, low voltage lighting, ponds, sod, or bushes must be detailed in the scope of work of this Contract. If applicable to this project, Contractor will provide rough and final grading to ensure water drains away from the main house or new structure.

- ✓ Owner is responsible for restoring existing landscape lighting, irrigation, security, internet cabling, or phone lines if damaged from new addition (digging footings and so on). Contractor is not responsible for landscaping unless specifically agreed.
- ✓ Owner is advised lot topography, existing driveways, the street/curb height, foundation height, the natural areas, trees, hardscapes, neighbors' drainage, subdivision easements, and **HOA guidelines** can create unique drainage and erosion control challenges.
- ✓ Erosion prevention is the Owner's responsibility once Contractor has completed the scope of work.

16. COVID/VIRUSES/FLU:

Both parties understand all possible risks and will not hold one another accountable for possible illness or transmission. If Owner or family member(s) test positive, immediately report this information to the Contractor so they can inform their staff and subcontractors to determine whether to continue working in the home, at their own risk. Likewise, if Contractor (including subcontractors) test positive, they will let the Owner know.

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17. CHANGE ORDERS:

Definition: Change orders are requests from the Owner to edit/alter/change the original scope of work after the binding of this Contract.

- a) Requests for change orders should be submitted to Contractor for pricing and scope of work, detailed out similar to a mini proposal.
- b) Owner fully understands change orders are marked up for supervision costs, overhead, time potentially taken away from other clients, and profit.
- c) Approved change orders shall be paid in full before work begins.
- d) Declined change orders are subject to **\$125.00** proposal fee **to cover our time** to prepare the scope and estimate.
- e) Change orders are an extension of this Contract and subject to all criteria/terms outlined in this Contract.
- f) Some change order requests may be denied by Contractor or subcontractor because the request is too late in our process or workload is too full.
- g) Owner is advised change orders such as extending patios or hardscapes can create extra dirt and grading issues. These potential hidden costs will be forwarded to the Owner.

Special change order written and approved by contractor:

- h) If project "selections made" totals go over budget, a **special change order** will be created to show the accounting and markup/impact of these overages. This helps to avoid Contractor margins deteriorating (see page 9 on Discounts and Mark Ups).

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18. VARIABLES AND UNKNOWN:

19. TILE LABOR VARIABLES:

- a) Owner understands tile labor is base priced using square foot area to tile. Costs are then determined by the number of options/features, and the difficulty of the job. Labor costs are also impacted by the number of bullnose tiles needed, Schluter strips, special thresholds, wall cap material, specialty tiles, glass tile, marble, niche's, benches, drain type, curbed/curb-less shower entry, special designs, or patterns (such as a herringbone pattern or a diagonal pattern) - all the above can have a premium labor charge.
- b) If tile design is not 100% completed (known in full) at the time this Contract is entered, or our tile contractor had not a chance to quote the work in detail, we may end over budget. (See the above)
- c) Tile labor cost also includes tile related building materials such as backerboard, thin set, screws, tape, waterproofing, mud/mortar, and gap spacers.
- d) Owner (of a remodeling project) understands uneven floors, out of square, and plumb walls present serious challenges for the tile setter. These occurrences will have additional charges. Contractor will advise Owner of such situations, offer solutions, and estimate these costs to correct.

20. LUMBER COST VARIABLES:

- a) Owner agrees to pay the difference in lumber costs to Contractor in the amount over budget due to changing market conditions, causing rising material costs. Factors include hurricanes, tariffs, changes in economic policy, labor strikes, pandemic, and high demand for housing/limited supply.
- b) If A applies, Contractor will upload the vendor invoices into JobTread to validate the budget overages (if this happens). (No mark up costs added to these market driven situations)
- c) If A applies, If lumber costs come in under budget/allowance, client will receive credit under normal allowance procedure.
- d) Line C only applies if lumber is used as an allowance - which is only used under volatile market circumstances outlined in line A.

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21. ELECTRICAL VARIABLES:

- a) Estimating electrical labor is a difficult line item in the budget to accurately estimate due to **many unknowns** when merging new and old work.
- b) Owner understands electrical labor also includes related electrical scope of work material costs provided by the electrician, which are as follows: all necessary size and type wire, device boxes, subpanels, breakers, recess cans, fan brackets, wire connectors, ground rods, conduit, switches, dimmers, plates, and fire rings.
- c) Another variable swinging the budget is due to finalizing the actual electrical scope and details during the electrical rough in phase of the Project.
- d) Owner understands the following electrical options can bust the budget: 3way & 4way switches, adding extra recess cans, asking for additional outlets, changing to sconces, large or expensive fixtures that require assembly, and poor workmanship of existing dwelling.

22. PLUMBING VARIABLES:

- a) Plumbing labor is also a difficult scope of work to estimate accurately due to **many unknowns** prior to demolition that could increase labor time and material, which can also lead to additional framing and/or engineering to get the job done.
- b) **Examples:** Venting and re-routing plumbing may prove to be more difficult than at the time of estimation. Toilet flange too high by old methods of tile work, prior work done **out of code** or will not meet current code, and the difficulty to route new plumbing with existing framing.
- c) Owner understands moving a 3" drain is extremely difficult and expensive to move and should be avoided.

23. FOOTING/SOIL VARIABLES:

Owner understands and agrees to pay the difference in costs if Contractor goes over budget due to soft/wet, unstable soil conditions. Often an engineer is needed for a site visit to remedy the situation, and pass inspection to place concrete. Rental equipment is sometimes necessary to carry us through difficult conditions.

The Contractor will provide supporting documentation to Owner to validate an overage to the above mentioned variables in sections (#19 - 23). Contractor will give Owner prior notice of significant pending overages whenever possible.

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24. SELECTIONS AND ALLOWANCES:

Allowances are funds used towards the purchase of a particular Selection. In using allowances, Owner is provided flexibility and control towards how and where they want to spend their money. Selections are usually just materials, but sometimes include labor. Examples: carpet, hardwoods, railings, masonry, mantels, fireplace, stonework, beams, staircases, etc.

25. BUILDER DISCOUNTS:

- a) The Contractor will provide a discount for a particular product or material, such as tile materials, if the Contractor receives discounts from a particular vendor. Please be advised the Contractor reserves the right to determine such discount rates (if any), of which would be applied to Owner's budgeted allowance.
- b) The spirit of using allowances is to provide flexibility to the Owner, while also offering a discount and providing transparency. However, this method has limitations considering the negative impact towards the Contractor's profit margins when the Owner overspends.

26. UNDERSTANDING WHEN ALLOWANCES GO FROM DISCOUNTED TO MARKED UP:

- ✓ If Owner exceeds the allowance budgeted for the selection group, Contractor will determine the necessary mark up on these overages to maintain Contractor margins consistent with the original Contract proposal, which contains percentages to address supervision, overhead costs, and profit.
- ✓ Example: Countertop selection allowance per contract = \$10,000.
 - Actual cost of countertops = \$10,500
 - Final countertop cost = \$10,715 (Not \$10,500)-This rule applies to all selections with allowance overages.
 - The \$500 overage is subject to a margin consistent with the projects' margin. If 30% margin;- this translates to \$215 in added costs to the cost of the countertops.
- ✓ Approved selections can quickly be referenced in your JobTread documents.

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27. CONTINGENCY FUNDS:

If contingency funds are allocated in the proposal, they will be accessed in "Selections." Detailed entries will be shown and approved by Owner or Contractor in this Selection so both parties know where and why funds were used.

28. JOBTREAD AND OWNER LOG IN/ACCESS:

At any stage in the construction process Owner is provided access to their project proposal, the project selections, allowances, photos, videos, daily logs, contract documents, permit information, specifications, and the project's schedule. (Ask about the Dashboard)

29. OPEN ITEM RETAINER RESOLUTION:

- ✓ Occasional situation: The Project is basically 100% completed, except for an open item(s), which might take some time to resolve.
- ✓ Both parties agree to a separate close out balance invoice retaining **1.5 times** the total cost of this open item(s), per the proposal line item's cost or the itemized invoice of product and or such labor.
- ✓ Owner agrees to make immediate payment once the open item/issue(s) are resolved satisfying full balance due.

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30. WARRANTY

Contractor warrants that the Project will be built in substantial compliance with the plans and specifications. The workmanship of the Project shall be in accordance with Residential Construction Performance Guidelines prepared by the National Association of Home Builders.

- ✓ For a period of **2 years** from the completion of the Project, Contractor will return to address any defects caused by faulty workmanship, faulty structural design (if provided by Contractor) and defective materials due to noncompliance with building standards/applicable building codes.
- ✓ Owner recognizes that certain items are subject to size and color variations, supply and availability, and changes over which it has no control.
- ✓ Owner further recognizes that the use of natural materials, such as wood and stone, are subject to the natural qualities and limits of the material. Owner recognizes that concrete will crack and a certain amount of nail pops in drywall is expected.
- ✓ Owner recognizes that homes require maintenance such as touch up paint and caulking and that these are not Contractor responsibilities.
- ✓ Manufacturers' warranties, if any, on materials, fixtures, appliances, and components, to the extent assignable, are deemed assigned by Contractor to Owner. Contractor will deliver to Owner all product warranty forms in its possession once a certificate of occupancy is issued. Owner is responsible for any notice and claim procedures on these warranties.
- ✓ THE PARTIES INTEND TO EXCLUDE ALL OTHER WARRANTIES INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE

31. **TRANSFERABILITY** – This warranty is transferable.

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32. LIMITED WARRANTY COVERAGE & EXCLUSIONS:

Contractor is not liable for any of the following loss or damage that might occur:

- ✓ Defects in design, installation, or materials which Owner supplied, installed, or had installed under his direction.
- ✓ Secondary loss or damage such as personal injury or property damage.
- ✓ Normal wear and tear.
- ✓ Shrinkage due to the "drying out" of the improvement after construction, within tolerances of building standards.
- ✓ Dampness and condensation due to insufficient ventilation after occupancy.
- ✓ Negligence, or improper maintenance or alteration by parties other than what was performed by Contractor.
- ✓ Changes or alterations by parties other than Contractor or their subcontractors in the grading of the ground.
- ✓ Landscaping or insect damage.
- ✓ Owner's failure to keep and maintain the improvement in good repair and condition.
- ✓ Owner's failure to take timely action to minimize damages whenever feasible.
- ✓ Loss or damage which occurs after the improvement is no longer used primarily as a residence.
- ✓ Accidental loss or damage including, but not limited to, fire explosion, smoke, water escape, windstorm, hail, lighting, falling trees, aircraft and vehicles, floods, and earthquake.
- ✓ Soil conditions where construction is performed by Owner or a third-party.
- ✓ Damage due to defects in existing structure or systems, which is not caused by the Project.
- ✓ Excluded from the warranty are swimming pools or other recreational facilities such as detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the building, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.
- ✓ Owner is responsible for erosion control no matter the circumstances unless Contractor is contracted to do erosion control with "grading" or hardscapes.

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33. NOTICE YOU MUST GIVE

If you believe you have a warranty claim, you must notify Contractor in writing immediately. Failure to timely notify Contractor is grounds to deny a claim. Water damage is extremely important to report promptly.

34. DISPUTE RESOLUTION:

If any dispute arises regarding a warranty claim and Owner and Contractor have exhausted every effort to informally resolve such dispute, the parties shall mutually select a NC licensed residential home Inspector or licensed engineer ("Inspector") to examine the improvements which are subject of the dispute. The Inspector shall render a written opinion as to whether the improvements meet or fail to meet the Standards. If the Inspector finds that the disputed services performed or materials supplied fail to meet the Standards, Contractor shall have a reasonable time to complete the services or supply the materials to comply with the Standards, to the satisfaction of the Inspector. The cost of any Inspector shall be equally split between Owner and Contractor.

35. THEFT OR VANDALISM:

In the event substantial material is stolen or damaged, both parties agree to consult their insurance companies to determine legal liability and coverage. Some situations will default to Owner's insurance, and some will default to Contractor's insurance.

36. REMEDIES UPON DEFAULT. Remedies for breach of this Contract include:

- A. Stopping work without terminating this Contract.
- B. Filing suit to collect damages for breach of contract.
- C. In the event an action is brought by any party under this Contract to enforce any of its terms, it is agreed that the prevailing party shall be entitled to a reasonable attorney fee to be fixed by the trial court pursuant to N.C.G.S. § 6-21.2.

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37. TERMS:

This Contract contains the entire agreement and understanding of the parties, except where other documents are incorporated by reference, and all prior negotiations or tentative Contracts are merged herein. Any modification of this Contract must be in writing and signed by the parties to be valid. This Contract shall be governed by and construed in accordance with the internal substantive laws of North Carolina without giving effect to its conflicts of laws. Any claim proceedings must be instituted in the County where the Project is located.

This Contract shall be binding, not only upon the parties hereto, but also upon their heirs, personal representatives, successors and assigns, and the parties hereto agree for themselves and their heirs, personal representatives, successors and assigns to execute any instruments in writing which may be necessary or proper in carrying out the purposes of this Contract. To the extent that any provision of this Contract is invalidated, the terms herein are severable, and the balance of terms shall remain in full force and effect. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or entity may require.

This Contract, in part and in whole, shall not be construed against any party due to the fact that the Contract or any section thereof was drafted by that party. All clauses in this Contract and attachments, if any, are deemed by Owner to be conspicuous and binding. No delay or omission by a party to exercise any right or remedy accruing pursuant to any of the terms of this Contract shall impair any such right or remedy or be construed to be a waiver thereof. This Contract is not assignable or transferable, except where contemplated by the parties at the time that the Contract was entered into.

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38. ADDITIONAL AGREEMENTS, ADMENDMENTS or PROVISIONS:

Owner and Contractor additionally agree that:

All agreements between Owner and Contractor related to the specified work are incorporated in this contract.

Any modification to the details or scope of work in this contract shall be in writing.

Owner:	Print Name	Date
Owner:	Print Name	Date
Contractor:	Print Name	Date

Owner's right to cancel: If this contract was solicited in your residence and you do not want the goods or services, you may cancel this Contract by forwarding a written notice to Contractor at the address above. This notice must state that you do not want the goods or services and must be mailed before midnight of the 3rd day after customer signed this Contract.