

CONSTRUCTION AGREEMENT DISCLOSURES & PAYMENT TERMS

365 General Contractors LLC
New Jersey Licensed & Insured

1. Scope of Work (General Application)

365 General Contractors LLC (“Contractor”) shall provide any and all general contracting, construction, renovation, remodeling, improvement, demolition, and related services (the “Work”) as described in the written proposal, agreement, specifications, drawings, and any approved change orders.

This Agreement applies to all work performed by Contractor, regardless of project type, size, or location, unless otherwise stated in writing.

2. Deposit & Project Mobilization

A 50% deposit of the total contract price is due upon execution of this Agreement and prior to commencement of work. This deposit is applied toward project mobilization costs, including labor allocation, material procurement, subcontractor scheduling, project planning, and administrative coordination.

Once work has commenced, materials have been ordered, or project scheduling and coordination has begun, the deposit is non-refundable, as such costs are incurred specifically for the project.

Permits, filing fees, and inspection costs are not included in the contract price unless expressly stated in writing and are the sole responsibility of the Client.

3. Progress Payments (Draw Schedule)

Payments shall be made according to the following schedule:

- 50% Initial Deposit – Due upon contract execution
- 25% Progress Payment – Due upon approximately 50% completion of the Work
- 25% Final Payment – Due upon substantial completion of the Work and prior to final walkthrough, punch list completion, or release of final inspections, unless otherwise agreed in writing

Failure to make payments when due may result in suspension of work.

4. Unforeseen Conditions

Construction and improvement work may involve concealed or unforeseen conditions, including but not limited to structural deficiencies, water intrusion, mold, electrical, plumbing, or HVAC issues, code violations, or prior non-compliant work. Such conditions may not be discoverable until work is underway.

Any additional work required as a result of unforeseen conditions shall be addressed through a written change order and may require additional payment prior to proceeding.

5. Change Orders

Any modification, addition, or reduction to the scope of Work—whether due to Client request, site conditions, or regulatory requirements—must be documented in a written change order signed by both parties. Change orders may affect cost, schedule, and completion dates.

6. NON-PAYMENT ESCALATION, SUSPENSION & LIEN ENFORCEMENT

Pursuant to the New Jersey Construction Lien Law (N.J.S.A. 2A:44A-1 et seq.)

Payment Default

Any payment not received within three (3) calendar days of its due date shall constitute a payment default under this Agreement.

Written Notice & Cure

Upon default, Contractor may issue written notice demanding payment. Client shall have three (3) additional calendar days from receipt of such notice to cure the default.

Suspension of Work

If payment is not received within the cure period, Contractor may immediately suspend all work without penalty or breach. Suspension shall entitle Contractor to:

- A reasonable extension of time
- Recovery of remobilization and restart costs
- Adjustments to pricing where applicable

Interest, Fees & Administrative Costs

Unpaid balances may accrue interest at 1.5% per month, or the maximum rate permitted by New Jersey law. Client shall also be responsible for reasonable administrative and collection-related costs.

Ownership of Materials

All materials, equipment, and fixtures delivered to the project site shall remain the property of Contractor until payment is made in full. Contractor reserves the right, where legally permitted, to remove unpaid materials in the event of prolonged non-payment.

Lien Rights

If payment remains outstanding, Contractor may serve a Notice of Unpaid Balance and Right to File Lien (NUB) and pursue required residential arbitration, followed by the filing of a Construction Lien against the property in accordance with New Jersey law.

Legal Remedies & Termination

If payment remains outstanding for fifteen (15) days or more after written notice, Contractor may terminate this Agreement. Client shall remain responsible for all amounts due for Work performed, materials ordered, termination costs, and enforcement expenses, including attorney's fees, court costs, and arbitration fees.

Acceptance of partial payment shall not constitute waiver of Contractor's rights.

7. No Warranty on Existing Conditions

Contractor does not warrant or guarantee existing structures, concealed components, or work previously performed by others. All new Work shall be performed in compliance with applicable New Jersey building codes and generally accepted industry standards.

8. Project Timeline

All timelines are estimates only and may be affected by inspections, material availability, weather conditions, or Client-requested changes. Such delays shall not constitute breach of contract.

NEW JERSEY HOME IMPROVEMENT CONSUMER DISCLOSURES

Required by N.J.A.C. 13:45A-16 et seq.

Cancellation Rights

Client may cancel this Agreement within three (3) business days after execution by providing written notice to Contractor. Upon valid cancellation, payments shall be returned in accordance with New Jersey law, less any documented costs permitted by statute.

Contractor Registration

Contractor is registered with the New Jersey Division of Consumer Affairs in accordance with the New Jersey Home Improvement Contractor Act (HICA).

Written Changes Required

All changes to the Agreement must be in writing and signed by both parties.

Consumer Protection Notice

Client is entitled to receive a fully executed copy of this Agreement and all disclosures required under New Jersey law.

Client Acknowledgment

By signing below, Client acknowledges that this Agreement applies to any and all work performed by Contractor, and that Client has received all required New Jersey consumer disclosures, understands the payment terms, and agrees to the non-payment escalation and lien enforcement provisions.