DISCLAIMER

This document is intended to be used solely as an example of an Independent Contractor Agreement and should not be used without legal counsel from a licensed attorney in your state to address the particulars of your specific situation.

HouseFlippingSpreadsheet.com is not your legal advisors and we assume no liability of misuse of this document without the advice of your own legal counsel.

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the “Agreement”) was entered into on **Insert Date** by and between **Insert Contractors Name & Business Address** (“Contractor”) and **Insert Your Company’s Name & Business Address** (Client”),for services rendered at **Insert Property/Project Location.**

WHEREAS, the Client requests Contractor to perform services for and may request Contractor to perform other services in the future and,

WHEREAS, the Client and Contractor desire to enter into an agreement, which will define respective rights of all parties and services to be performed.

NOW, THEREFORE, in consideration of covenants and agreements contained herein, all parties acknowledge and agree to the following:

**Article 1. INDEPENDENT CONTRACTOR STATUS**

* 1. **Status.** It is the express intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venture or partner of the Client. Nothing contained in this Agreement will be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture or any other fiduciary relationship.
	2. **Acknowledgement.** Both parties acknowledge that the Contractor and any employees, agents or subcontractors of Contractor are not employees of the Client for any reason.
	3. Contractor reserves the sole right to control, manage & direct the services prescribed herein. Subject to the foregoing, the Client retains the right to inspect, stop work, prescribe alterations and generally supervise the work to insure it meets the building standards, drawings, and specifications established in this Agreement.

**Article 2. CONTRACTOR SERVICES**

* 1. **Services**. During the Term, the Contractor agrees to perform the following services (the “Services”) described in the Scope of Work (the "SOW”) (as contained and attached in Exhibit “A”).
	2. **Method of Performing Services**. Contractor will determine the method, details and means of performing the above-described services. The Client shall have no right to, and shall not control the manner or determine the method of accomplishing Contractor’s services.
	3. **Employees and Subcontractors**. Contractor may, at Contractor’s Expense utilize employees or subcontractors as Contractor deems necessary to perform the services required of Contractor by this Agreement. Client may not control, direct or supervise Contractor’s employees or subcontractors in the performance of those services. Contractor assumes full and sole responsibility for the payment of all compensation and expenses of these employees or subcontractors for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholdings.

**Article 3. COMPENSATION**

* 1. **Amount.** Client will compensate Contactor for their Services as set forth in the SOW and Payment Schedule (as contained and attached in Exhibit “B”). No other compensation will be paid to the Contractor, unless such compensation has been agreed to in a written change order as outlined in **Article 6 CHANGES.**
	2. **Payments.** Invoices shall be issued to the Client by Contractor based upon the terms set forth in the Payment Schedule (Exhibit B).

**Article 4. PROJECT SCHEDULE, INCENTIVES & LIQUIDATED DAMAGES**

**4.01 Project Schedule.** The work will commence on or before **Insert Start Date** and shall be Substantially Completed on or before **Insert End Date.**

* 1. **Liquidated Damages.**
		1. The Client and Contractor recognize that time is of the essence and the Client will suffer financial loss if the work is not complete within the project schedule specified above. If the Contractor fails to complete the work within the specified timeframe, the Client may reduce the Contractor’s compensation by **Insert Amount** for each calendar day the Contractor delays the Substantial Completion of the work beyond the Substantial Completion Date.
		2. The Contractor agrees that the liquidated damages herein are reasonable in amount and not disproportionate to actual anticipated damages.
	2. **Performance Incentives.** A performance incentive of **Insert Amount** per day shall be payable to the Contractor for each calendar day the Contractor finishes ahead of the specified Substantial Completion Date.
	3. **Substantial Completion.** The Substantial Completion Date is the date the Client approves the Contractor Services and SOW are sufficiently complete on the following basis:
		1. The Services and Work meet all governing building codes.
		2. All required building permit inspections have been completed and passed.
		3. The Services and Work have been completed in accordance with the Scope of Work including all punch list work as agreed.
		4. The Services and Work have been sufficiently completed to allow the Client to list the real property for sale on the real estate market.

**Article 5. OBLIGATIONS OF CONTRACTOR**

* 1. **Tools, Material and Equipment.** Contractor will supply all tools, material and equipment required to perform the Services under this Agreement, unless otherwise specified in the SOW (Exhibit A).
	2. **Building Permits and Inspections.**

**5.02.1 Building Permits.** The Contractor shall be responsible for all building permit fees pertaining to the law, ordinances and regulations where the work is being performed.

**5.02.2 Inspections.** The Contractor shall be responsible for all municipally required building inspections and ensure that all work described in the Agreement and Scope of Work passes all required building inspections. The Contractor shall pay for the entire cost of any re-work resulting from a failed inspection. If the Contractor fails to complete or pay for any re-work inspection costs, the Client may deduct the reasonable costs against any compensations owed to the Contractor.

**5.03 Taxes.** The Contractor shall be responsible for all federal, state and local taxes imposed directly or indirectly for its Services required to fill this Agreement.

**5.04 Insurance.**

**5.04.1 Coverage.** Throughout the Term of this Agreement, the Contractor at their own expense shall be responsible to obtain and maintain insurance, including worker’s compensations insurance and general liability insurance with limits of liability not less than one million dollars ($1,000,000) per occurrence of bodily injury, property damage or other losses in connection with Services contracted herein. Client shall be named as an additional insured on all of the Contractor’s insurance policies. Contractor Owner cannot be excluded from Worker’s Compensation.

**5.04.2 Certificates.** Contractor shall provide certificates of insurance or other acceptable evidence of insurance upon execution of this Agreement.

* 1. **Warranty.** The Contractor warrants all services for one year after Final Completion. If any item develops a problem within the one year of Final Completion, the Contractor shall repair it within five (5) business days of being notified by the Client at no additional expense to the Client. If the Contractor does not make the requested repairs within the fire (5) business days, the Client may have a third party complete the repairs, and the Client may charge the Contractor for all costs incurred to complete the repairs.
	2. **Non-Discrimination/Affirmative Action.** Contractor agrees to maintain a work environment free of discriminatory practices and to comply with all applicable federal, state and local non-discrimination/affirmative action laws.
	3. **Drug-Free Workplace.** Contractor agrees to maintain a drug-free workplace and remain in compliance with the Drug-Free Workplace Act of 1988, and any subsequent amendments thereto.
	4. **Non-Disclosure.** Contractor, employees or subcontractors thereof shall protect and keep confidential any information, not a matter of public record, which is received by Contractor by reason of this Agreement.
	5. **Indemnification.** Contractor agrees to indemnify and hold harmless Client and its officers, directors, and agents from all claims, liabilities, losses, costs, damages, judgements, penalties, fines, attorneys’ fees, court costs and other legal expenses arising out of or relating to, directly or indirectly from any negligent act or omission of the Contractor, anyone directly employed by them or anyone who acts they are liable for.

**Article 6 CHANGES**

**6.01 Change Orders**. The Client may order changes consisting of alterations, additions or revisions to the original Scope of Work.

**6.02** **Change Order Requirements**. All Change Orders must be written and approved by the Client and the Contractor and shall specify:

**5.02.1** A description of the Scope of Work to be changed:

**5.02.2** Impact, if any, that the requested change will have on the (A) compensation, (B) Project Schedule or (C) any other terms or conditions of the Agreement.

**6.03 Adjustments to Compensation.** In the event that any such changes impact the cost to the Contractor or Project Schedule, the parties shall negotiate in good faith a reasonable and equitable adjustment in the applicable compensation and Project Schedule.

**Article 7 TERM AND TERMINATION**

**7.01 Term.** This Agreement takes effect immediately as of the Effective Date, and remains in full force and effect until the Contractor has completed the Services, unless Terminated as prescribed herein.

**7.02 Notice of Termination.** Client may terminate this Agreement or any Scope of Work or Services specified herein, for any reason, with or without cause, by giving **Insert Days** days from written notice of termination.

**7.03 Payment Upon Termination.** The Client will pay the Contractor for all Service performed by the Contractor through the date of termination.

**Article 8 ARBITRATION**

**8.01 Arbitration.** The Client and Contractor agree that, if any controversy or claim arising out of or relating to this Agreement or Scope of Work that cannot be settled through direct discussions, they shall be submitted to an informal mediation and then to arbitration. Arbitrations shall be the exclusive forum for the resolution of any controversies, claims or disputes arising out of or relating to this Agreement, including issues related to the classification of the Contractor as an Independent Contractor. The neutral arbitrator shall be jointly chosen by both parties either from a list of arbitrators supplied by the American Arbitration Association or an alternate source by agreement of the parties. The decision of the arbitrator, including determination of the amount of damages suffered, if any, shall be exclusive, final and binding on the parties. The arbitrator shall only have the authority to award traditional contract remedies, and any award shall not exceed the maximum value of this Agreement. Each party shall be solely and exclusively responsible for its costs of arbitrating any dispute, with the sole exception of the fee of the arbitrator, the record or transcript of the arbitration, and the cost of the facilities for the arbitration, which shall be borne equally by both parties.

**Article 9 GENERAL PROVISIONS**

**9.01 Entire Agreement.**  This Agreement and attachments constitutes the entire agreement between the Client and the Contractor specifically and supersedes all prior agreements, representations, and understandings of the parties, written or oral.

**9.02** **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

* 1. **Amendment.** This Agreement may be amended only by written agreement of the parties.
	2. **Notices.** All notices permitted or required under this Agreement shall be in writing by personal delivery or by mail.
	3. **Assignment.** This Agreement shall not be assigned by either party without the consent of the other party.
	4. **Governing Law.**
		1. This Agreement and all attachments shall be governed by and construed in accordance with the internal laws of the State of **Insert Jurisdiction State**, without regard to its conflict of laws provisions.
		2. Nothing in this Agreement shall be construed to require the commission of any act contrary to law, and in the event of any conflict between any provision of this Agreement and any present or future stature, law, ordinance or regulation, the latter shall prevail and the provision of this agreement shall be modified only to the extent necessary to bring it within legal requirements, such provision shall be deemed stricken and severed from this Agreement and the remaining terms of this Agreement shall continue in full force and effect.
	5. **Waiver.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege, will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

IN WITNESS WHEROF**,** the Client and the Contractor have executed and delivered this Agreement as of the date set forth above.

|  |  |
| --- | --- |
| CONTRACTOR | CLIENT |
| DATE | DATE |
| STREET ADDRESS |  |
| CITY, STATE, ZIP |  |

ATTACHMENTS:

EXHIBIT ‘A’: SCOPE OF WORK DOCUMENT

EXHIBIT ‘B’: PAYMENT SCHEDULE