# Before the Dotted Line: Contract Review

bathroom 2

Contract: sample-contract.txt
Reviewed 11/14/2026

## At a glance

**CONTRACTOR**
Heritage Home Renovations LLC

**CONTRACT PRICE (AS PRINTED)**
$47,000.00

**DOCUMENT DATE**
October 2, 2026

**SIGNATURES**
Homeowner: not signed · Contractor: not signed

**FINDINGS**
18 important to clarify, 0 topics not found

This contract covers a kitchen renovation for $47,000.00, with the detailed scope incorporated from a separate proposal that was not included in the supplied text. It provides milestone payments, an estimated 8 to 10 weeks of work, and a limited workmanship warranty. Areas deserving close reading include verbal changes despite the written-change-order requirement, concealed-condition costs, deposit refunds, and termination charges. Arbitration, attorney fees, indemnification, lien rights, and material substitutions also deserve attention; both signature lines are blank.

## Payments & deposits

- Signing deposit (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**
"Owner shall pay a deposit of $4,700.00 (10%) upon signing this Contract."

**IN PLAIN ENGLISH**
A deposit of $4,700.00 (10%) is payable upon signing. This could mean you must pay the deposit before work begins.

**QUESTION TO ASK**
Could you confirm when materials will be ordered after I pay the deposit?

- Progress payment milestones (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**
"Progress payments: $14,100.00 upon completion of demolition; $14,100.00 upon cabinet delivery; $9,400.00 upon countertop installation;"

**IN PLAIN ENGLISH**
Progress payments are $14,100.00 upon completion of demolition, $14,100.00 upon cabinet delivery, and $9,400.00 upon countertop installation. This could mean a cabinet payment becomes payable on delivery rather

than installation.

**QUESTION TO ASK**

Could you clarify what counts as cabinet delivery if only part of the order arrives or items are damaged?

- Final payment at substantial completion (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"$4,700.00 upon substantial completion."

**IN PLAIN ENGLISH**

The last scheduled payment is $4,700.00 upon substantial completion. This could mean the last scheduled payment is due while some finishing items remain, depending on how substantial completion is determined.

**QUESTION TO ASK**

Could you define substantial completion and explain how unfinished items will be handled before the last payment?

- Invoice deadline and interest (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Payments are due within five (5) days of invoice. Late payments accrue interest at 1.5% per month."

**IN PLAIN ENGLISH**

Payments are due within five (5) days of invoice, and late payments accrue interest at 1.5% per month. This could mean you have a short period to review an invoice before interest begins accruing.

**QUESTION TO ASK**

Could you explain how the payment deadline and interest apply when an invoice is disputed?

## Cancellation & termination

- Deposit becomes non-refundable (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"The deposit is non-refundable once materials have been ordered."

**IN PLAIN ENGLISH**

The deposit is non-refundable once materials have been ordered. This could mean you cannot recover the deposit after materials are ordered, even if work has not started.

**QUESTION TO ASK**

Could you clarify which material order triggers the deposit becoming non-refundable?

- Termination for missed payment (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor may terminate this Contract if Owner fails to make any payment within ten (10) days of its due date."

**IN PLAIN ENGLISH**

The contractor may terminate if the owner fails to make any payment within ten (10) days of its due date. This could mean a missed payment allows the contractor to end the contract, in addition to the interest imposed by the payment clause.

**QUESTION TO ASK**

Could you clarify whether you will give written notice and an opportunity to resolve a missed payment before terminating?

- Owner termination charges (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"If Owner terminates for convenience, Owner shall pay for all work performed, materials ordered, and 15% of the remaining Contract Price as lost profit."

**IN PLAIN ENGLISH**

If the owner terminates for convenience, the owner owes payment for all work performed, materials ordered, and 15% of the remaining Contract Price as lost profit. This could mean ending the project requires payment beyond the work already performed and materials already ordered.

**QUESTION TO ASK**

Could you explain how the remaining Contract Price and any deposit credit would be determined in a termination statement?

## Change orders

- Written and verbal change provisions (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Changes may be authorized verbally by Owner and will be billed at Contractor's standard rates of $95 per hour plus materials at cost plus 20%."

**IN PLAIN ENGLISH**

The price clause requires written change orders for additions and deductions, but the changes clause allows verbal authorization and billing at $95 per hour plus materials at cost plus 20%. This could mean you receive additional charges based on a conversation without a written total agreed beforehand; the two approval provisions leave the process unclear.

**QUESTION TO ASK**

Could you reconcile these provisions by specifying whether every change requires written scope and price approval before work begins?

## Delays & schedule

- Delay exclusions and extensions (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"any other cause beyond Contractor's reasonable control, and the completion date shall be extended accordingly."

**IN PLAIN ENGLISH**

The contractor is not liable for delays caused by weather, material shortages, labor shortages, acts of God, or other causes beyond its reasonable control, and the completion date is extended accordingly. This could mean the renovation lasts longer without contractor liability for delays covered by this clause.

**QUESTION TO ASK**

Could you explain how you will notify me of a covered delay and document the resulting schedule extension?

- Start date and estimated duration (Worth reviewing)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor will begin work on a date to be scheduled following permit approval. Contractor estimates the Work will take 8 to 10 weeks."

**IN PLAIN ENGLISH**

Work will begin on a date scheduled after permit approval, and the estimated duration is 8 to 10 weeks. This could mean the contract does not establish a firm calendar start or completion date for planning your use of the kitchen.

**QUESTION TO ASK**

Could you specify the anticipated start and completion dates once the permit is approved?

## Warranty & exclusions

- Workmanship warranty and remedy (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor's liability under this warranty is limited to repair or replacement of defective workmanship."

**IN PLAIN ENGLISH**

The workmanship warranty lasts one (1) year from substantial completion, and the contractor's liability under it is limited to repair or replacement of defective workmanship. This could mean the warranty starts before every finishing item is complete and provides repair or replacement rather than other compensation.

**QUESTION TO ASK**

Could you confirm how the substantial-completion date will be documented for the warranty?

- Warranty exclusions and cosmetic deadline (Worth reviewing)

**CONTRACT LANGUAGE, PAGE 1**

"This warranty excludes manufacturer defects, normal wear, damage caused by Owner, and cosmetic issues reported more than 30 days after completion."

**IN PLAIN ENGLISH**

The warranty excludes manufacturer defects, normal wear, owner-caused damage, and cosmetic issues reported more than 30 days after completion. This could mean cosmetic issues must be reported much earlier than the end of the workmanship warranty, and the listed other issues are outside its coverage.

**QUESTION TO ASK**

Could you specify how I should submit cosmetic issues within the 30-day reporting period?

## Insurance & liability

- Insurance responsibilities (Worth reviewing)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor maintains general liability insurance. Owner is responsible for maintaining homeowner's insurance on the property during the Work."

**IN PLAIN ENGLISH**

The contractor states it maintains general liability insurance, while the owner is responsible for maintaining homeowner's insurance during the work. This could mean you must keep your property coverage in place rather than relying solely on the contractor's insurance.

**QUESTION TO ASK**

Could you provide evidence of the general liability coverage that will be in place during the renovation?

## Indemnification

- Claims arising from use of the property (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Owner agrees to indemnify and hold harmless Contractor from any claims arising out of Owner's use of the property during construction, except to the extent caused by Contractor's negligence."

**IN PLAIN ENGLISH**

The owner must indemnify and hold the contractor harmless from claims arising from the owner's use of the property during construction, except to the extent caused by contractor negligence. This could mean you bear financial responsibility for certain claims connected to your use of the property during construction. A local attorney can explain how this obligation applies.

**QUESTION TO ASK**
Could you give an example of a claim you expect this indemnification provision to cover?

## Disputes & arbitration

- Binding arbitration and jury waiver (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**
"Any dispute arising under this Contract shall be resolved by binding arbitration in Travis County, Texas. Each party waives the right to a jury trial."

**IN PLAIN ENGLISH**
Disputes under the contract must be resolved through binding arbitration in Travis County, Texas, and both parties waive a jury trial. This could mean a contract dispute is decided by an arbitrator rather than a jury. A local attorney can explain the effect on your legal rights.

**QUESTION TO ASK**
Could you identify the arbitration rules and how the arbitrator will be selected?

- Prevailing-party attorney fees (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**
"The prevailing party shall recover reasonable attorney fees."

**IN PLAIN ENGLISH**
The prevailing party recovers reasonable attorney fees. This could mean you pay the other party's reasonable attorney fees if it prevails, or recover yours if you prevail.

**QUESTION TO ASK**
Could you clarify how the prevailing party will be determined if each party wins some issues?

## Liens

- Potential property liens (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**
"Contractor and its subcontractors and suppliers may have the right to file a lien on the property if they are not paid."

**IN PLAIN ENGLISH**
The contractor, subcontractors, and suppliers may have lien rights if they are not paid. This could mean unpaid project participants assert claims against your property, not just seek payment from the contractor. A local attorney can explain applicable lien rights.

**QUESTION TO ASK**
Could you provide lien waivers from the contractor, subcontractors, and suppliers with each payment?

## Permits & inspections

- Permit application and fees (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**
"Contractor will apply for the building permit. Permit fees exceeding $600 will be paid by Owner."

**IN PLAIN ENGLISH**
The contractor will apply for the building permit, and the owner pays permit fees exceeding $600. This could mean additional permit costs fall to you, but the wording leaves unclear whether you pay only the excess or the full fee when it exceeds $600.

**QUESTION TO ASK**

Could you clarify whether I pay only the portion of permit fees above $600?

## Other significant terms

- Scope defined in a separate proposal (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor will perform the kitchen renovation described in Proposal #2026-118 dated September 18, 2026, which is incorporated by reference."

**IN PLAIN ENGLISH**

The kitchen renovation scope is described in Proposal #2026-118 dated September 18, 2026, which is incorporated into the contract. The contract and proposal form the entire agreement. This could mean the separate proposal controls important details about what is included; those details cannot be assessed from the supplied contract text alone.

**QUESTION TO ASK**

Could you provide the incorporated proposal so I can review the complete scope and specifications?

- Concealed-condition charges (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor may stop work and the cost of correcting such conditions will be added to the Contract Price."

**IN PLAIN ENGLISH**

If concealed conditions such as rot, mold, or outdated wiring are encountered, the contractor may stop work and add correction costs to the contract price. This could mean unexpected conditions increase your cost and interrupt work without a separately stated approval step in this clause.

**QUESTION TO ASK**

Could you confirm whether correction costs will require my written approval before the work proceeds?

- Material substitutions without notice (Important to clarify)

**CONTRACT LANGUAGE, PAGE 1**

"Contractor may substitute materials of equal or better quality without notice."

**IN PLAIN ENGLISH**

The contractor may substitute materials of equal or better quality without notifying the owner. This could mean installed materials differ from your selections even if the contractor considers their quality equal or better.

**QUESTION TO ASK**

Could you require my written approval before substituting any selected materials?

## Questions to settle before signing

- [ ] Could you provide the incorporated proposal so I can review the complete scope and specifications?
- [ ] Could you confirm when materials will be ordered after I pay the deposit?
- [ ] Could you clarify what counts as cabinet delivery if only part of the order arrives or items are damaged?
- [ ] Could you define substantial completion and explain how unfinished items will be handled before the last payment?
- [ ] Could you explain how the payment deadline and interest apply when an invoice is disputed?
- [ ] Could you clarify which material order triggers the deposit becoming non-refundable?
- [ ] Could you reconcile these provisions by specifying whether every change requires written scope and price approval before work begins?

- [ ] Could you specify the anticipated start and completion dates once the permit is approved?
- [ ] Could you explain how you will notify me of a covered delay and document the resulting schedule extension?
- [ ] Could you confirm whether correction costs will require my written approval before the work proceeds?
- [ ] Could you clarify whether I pay only the portion of permit fees above $600?
- [ ] Could you confirm how the substantial-completion date will be documented for the warranty?
- [ ] Could you specify how I should submit cosmetic issues within the 30-day reporting period?
- [ ] Could you provide evidence of the general liability coverage that will be in place during the renovation?
- [ ] Could you give an example of a claim you expect this indemnification provision to cover?
- [ ] Could you clarify whether you will give written notice and an opportunity to resolve a missed payment before terminating?
- [ ] Could you explain how the remaining Contract Price and any deposit credit would be determined in a termination statement?
- [ ] Could you identify the arbitration rules and how the arbitrator will be selected?
- [ ] Could you clarify how the prevailing party will be determined if each party wins some issues?
- [ ] Could you provide lien waivers from the contractor, subcontractors, and suppliers with each payment?
- [ ] Could you require my written approval before substituting any selected materials?