

PURCHASING GOODS AND SERVICES

SAMPLE LETTER OF AGREEMENT FOR HOME IMPROVEMENTS

Planning for any significant home repairs or improvements can be an exciting time. To best accomplish your end goals and avoid later disappointment, don't rush into signing a contract. First discuss all of the important aspects of the project with your contractor. Once you believe that you have reached a mutual understanding with the contractor, put it in writing (a letter of agreement to be signed by both parties).

Before signing the agreement, you may wish to have an attorney review it for any missing details or specifications. Any details or specifications not covered may result in disappointment with the end product or an unnecessary legal dispute down the road. Likewise, if you receive a form contract from a contractor, consider having your attorney review it. Often times a form contract is one sided in favor of the party who wrote it. Your attorney may be able to negotiate more favorable terms for you.

Following is an example of a letter agreement for home improvements, which will give you an idea of the types of information you should include in your agreement.

January 25, 2001

Jane and George Smith
123 Lovely Lane
Fancytown, USA

Frank Peterson
President
Peterson Ponds
332 Lily Way
Any Town, USA

Dear Mr. Peterson:

The following summarizes our agreement for you to install a walkway and duck pond in our back yard at the above address. We understand from our conversation and your promotional materials that you are a fully licensed landscape architect.

We have agreed that you will install a gently curving brick walkway of approximately thirty feet that connects the back door of our residence to a duck pond. The duck pond

will be of an oblong natural shape and should be approximately thirty feet long and five feet deep with a waterfall, filtration system, and a heating system adequate to allow ducks to use the pond year round. We understand that the walkway and pond will follow the plans you presented to us today. We have further agreed that you will provide us with samples of all of the materials that you contemplate using in construction and an approximate price for their use. We will have an unlimited right to refuse any type of material.

We have further agreed that you will be paid \$10,000.00. You will also be reimbursed weekly for all materials that become a permanent part of our back yard. The reimbursement will be for your costs and will require the presentation of an invoice. We will pay you \$3000.00 the day that you start and the \$7,000.00 balance within a week of your successful completion of the project.

This work must be completed by March 14, 2001. Time is of the essence, as we are planning a large outdoor wedding shortly thereafter. If the project is not completed by that date, you have agreed to reimburse us for any expense we incur in rental fees for an alternative wedding site. We expect the quality of your work to meet or exceed that which you did for our next door neighbor, Michael Jones.

If any dispute arises from this agreement that cannot be solved informally, we will submit our dispute to Judicial Arbitration Systems, located at 224 Main Street, Any Town, USA. Any costs associated with the resolution of a dispute will be divided equally between us.

We trust that the foregoing accurately reflects our agreement. If so, please sign the enclosed copy and return it to us by January 15, 2001.

Sincerely,

Jane and George Smith

I accept the above terms.

Date: _____

Frank Peterson d/b/a Peterson Ponds