

ABC CONSTRUCTION  
SAMPLE CONSTRUCTION COMPANY CONTINUATION AGREEMENT

THIS AGREEMENT, made and entered into on (ENTER DATE), (YEAR), between ABC CONSTRUCTION, (a Limited Liability Company) (hereinafter referred to as "ABC") and (ANOTHER CONSTRUCTION COMPANY, INC.).

WITNESSETH:

WHEREAS, "ABC" and \_\_\_\_\_ are each engaged in the practice of home building, "ABC'S" offices are located in Paramus and Princeton and \_\_\_\_\_ is located in \_\_\_\_\_.

WHEREAS, both parties desire to establish an agreement so that in the event of disability, death or retirement of \_\_\_\_\_ "ABC" shall continue the business of \_\_\_\_\_ on a prearranged basis.

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings herein contained, and for other good and valuable consideration, the full receipt and sufficiency of which is hereby expressly acknowledged by each party hereto, it is agreed as follows:

Section 1. Disability

- 1.01 In the event of the temporary disability of \_\_\_\_\_ mental or physical, commence construction management service as needed within 7 days of receipt of written notification of disability for longer than two weeks, but shorter than 6 months, "ABC" will of such disability.
- 1.02 "ABC" shall not be obligated to accept any client or undertake any request if such action would violate the professional code of ethics of "ABC" or any other organization that "ABC" retains membership.
- 1.03 \_\_\_\_\_ shall guarantee to "ABC" an agreed upon per diem charge of the staff person or individual provided by "ABC" during the disability of \_\_\_\_\_. "ABC" shall charge \_\_\_\_\_ clients the regular and usual fees of \_\_\_\_\_ which are in effect at the time such services are performed. Any differences shall be adjusted accordingly.
- 1.04 In the event of permanent disability, "ABC" will exercise the option to purchase the business of \_\_\_\_\_ as defined in Paragraph 2.

Section 2. Transfer of Construction Business

- 2.01 In the event of permanent disability or retirement, "ABC" shall purchase the Construction Business of \_\_\_\_\_. The purchase will include only the purchase of the open project clients and will not include the purchase of any equipment

or the assumption of any leases. Should these items be desired, a separate negotiation will take place at that time.

- 2.02 Payment to \_\_\_\_\_ in the event of his/her death, total disability, or retirement, (excluding amounts reimbursed by clients for expenses paid on their behalf by "ABC") collected by "ABC" in each calendar year.
- 2.03 In the event "ABC" completes any project which was in process as of the date the construction business changed ownership in the work done prior to that is billed by "ABC". "ABC" shall pay \_\_\_\_\_ his/her proportionate share of the fee collected for such work. This fee shall be paid when payment is received "ABC".
- 2.04 \_\_\_\_\_ shall retain all the accounts receivable of his/her construction business that are outstanding on the effective date. "ABC" will, if requested by \_\_\_\_\_ be entitled to retain 5% of all accounts receivable collections by \_\_\_\_\_ for collection service.
- 2.05 In the event a client termination arises for any reason, then this client shall be excluded from any further payments. However, if the client personally enters into a new Building Contract, then that client shall be included for the remainder of the Agreement.

### Section 3. Noncompetition

- 3.01 Except under return to work following temporary disability, \_\_\_\_\_ agrees that he/she will not provide construction services of any nature as employer, employee, principle, agent, shareholder, or otherwise, directly or indirectly, for any of his/her clients that accept the services of "ABC" at any time for ten years after the date the business changes hands. If in the event \_\_\_\_\_ does provide construction services then "ABC" would not be required to pay any further fees to \_\_\_\_\_.
- 3.02 "ABC" agrees that while this Agreement remains in effect, "ABC" will not provide services to \_\_\_\_\_ clients EXCEPT for "ABC'S" services rendered during the temporary disability of \_\_\_\_\_, in the event of the exercise of the buy out of the construction business, or an engagement mutually agreed to by both partners.

### Section 4. Arbitration

The parties agree that any dispute or claim concerning this Agreement, including whether such dispute or claim is arbitratable, will be settled by arbitration. The arbitration proceeding shall be conducted by \_\_\_\_\_, one of whom shall be selected by each party, under the State General Arbitration Act or other applicable statute of the State of New Jersey in effect at the time a demand for arbitration is made. In case of the inability of the arbitrators to reach a decision, a third \_\_\_\_\_ shall be selected by the arbitrators to serve as a third arbitrator. The decision of the arbitrators, including determination of amount of any damages suffered, shall be inclusive, final, and binding on both parties, heir, heirs, executors, administrators, successors, and assigns. Each party shall bear his own expenses in the arbitration for arbitrators' fees and attorneys' fees, for his witness and other expenses of

presenting his case. Other arbitration costs including administrative fees, and fees for records or transcripts, shall be borne equally by the parties.

Section 5. Miscellaneous

- 5.01 **Governing Law.** This Agreement shall be governed and construed and enforced in accordance with the laws of the State of New Jersey.
- 5.02 **Benefit.** This Agreement shall be binding upon and inure to the benefit of the respective parties hereto, their respective heirs, legal representatives, and successors. This Agreement shall not be assignable by either party hereto without the written consent of each party.
- 5.03 **Termination.** This Agreement may be terminated by either party upon a \_\_\_\_\_ (\_\_\_\_\_) day written notice delivered to the other party at his last known business address. All rights and obligations of the parties which have accrued prior to such termination shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ABC CONSTRUCTION

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ANOTHER CONSTRUCTION COMPANY, INC.

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_