



# Contract Document - 102

## COST PLUS CONTRACT— Owner's Lot

This Contract dated \_\_\_\_\_ is made by and between these parties:  
\_\_\_\_\_, referred to as the "Contractor",  
and \_\_\_\_\_,  
who is/are referred to as the "Owner(s)".

The Contractor's business address \_\_\_\_\_  
The Contractor's Telephone number \_\_\_\_\_  
The Contractor is licensed (or registered) in \_\_\_\_ (state), license (reg.)# \_\_\_\_\_  
Additional identification information if applicable \_\_\_\_\_

The Owner(s) address(es) \_\_\_\_\_

The Owner(s) Telephone number(s) \_\_\_\_\_

The Owner is possessed of a parcel of real estate, located at the following address  
\_\_\_\_\_  
more particularly described as: \_\_\_\_\_  
\_\_\_\_\_ (legal description)

This parcel will be referred to as the "Premises" in this Contract.

### 1. SCOPE OF THE WORK

The Contractor agrees to construct a single family residence ("Home") upon the Premises in accordance with the attached plans and specifications, marked Exhibit A and made part of this Contract. The Contractor shall furnish all the labor and materials for such work, and shall obtain and bear the cost of all required building permits. The Owner(s) shall pay and be responsible for all utility connection fees and charges, and all governmental impact fees, exactions and assessments that may be incurred in the course of construction.

Prior to the commencement of construction and not later than \_\_\_\_\_ (date), the Owner(s) shall disclose to the Contractor all deed restrictions, subdivision covenants, easements, liens or other encumbrances affecting the Premises, and shall supply the Contractor with a lot survey depicting applicable setback lines. The Owner(s) shall also obtain all necessary approvals from any architectural review board or Home Owners' Association as may be applicable, and shall bear all costs associated with obtaining these approvals. Failure by the Owner(s) to make such disclosures, to supply a lot survey, or to obtain necessary approvals shall constitute default.

### 2. COMPENSATION

Deposit - Upon execution of this Contract, the Owner(s) shall pay to the Contractor a Deposit in the amount of \$\_\_\_\_\_. If the Owner(s) should default on the Contract, in addition to all amounts due for unpaid "Cost of Work" incurred as of the date of default, a portion of the Deposit equal to \_\_\_\_\_% of the Contract price shall be retained by the Contractor as liquidated damages. Since actual damages would be difficult to precisely determine, it is agreed by the parties that this is a reasonable estimate of the damages that the Contractor would incur if the Owner(s) defaulted. The Contractor shall be entitled to apply the deposit as follows: (a) first, towards all unpaid "Cost of Work" as of the date of default, (b) then to the extent that funds

remain, toward the amount of liquidated damages. Any remaining portion of the deposit shall be refunded to the Owner(s) within sixty (60) days (or alternatively \_\_\_\_\_ days) of the date of default.

Financing contingency - This Contract is contingent on the Owner(s) obtaining approval of a construction loan within \_\_\_\_\_ days after the Contract date in the amount of \$\_\_\_\_\_. Owner(s) will use all reasonable diligence to obtain loan approval, and shall pay all loan expenses. In the event that the Owner(s) fails to obtain construction loan approval after a diligent, good faith effort, either party may by written notice to the other cancel this Contract, and Owner(s) shall be refunded the Deposit.

Cost Plus a percentage Contractor's fee - The Owner(s) will pay to the Contractor the "Cost of Work" incurred in the performance of this Contract, plus a Contractor's fee equal to \_\_\_% of the costs incurred.

(alternate) Cost Plus a fixed Contractor's fee - The Owner(s) will pay to the Contractor the "Cost of Work" incurred in the performance of this Contract, plus a fixed Contractor's fee of \$ \_\_\_\_\_.

"Cost of Work" to be Reimbursed - The term "Cost of Work" shall mean all costs necessarily incurred by the Contractor in the proper performance of the Contract. The "Cost of Work" shall be calculated to include these items as follows:

A. Wages of construction workers directly employed by the Contractor to perform the construction of the Home upon the Premises in accordance with this Contract, plus all employer mandated payments that are associated with these Wages, specifically all withholding taxes (to include but not be limited to income taxes, federal, state, and local; Medicare; and social security) unemployment compensation taxes or premiums, medical insurance, overtime pay, and employer payments for all other employee benefits. The following wage rates will be used:

CONTRACTOR	\$ _____	/ HR
FOREMAN	\$ _____	/ HR
JOURNEYMAN CARPENTER	\$ _____	/ HR
LINE CARPENTER	\$ _____	/ HR
APPRENTICE	\$ _____	/ HR
SKILLED LABORER	\$ _____	/ HR
LABORER	\$ _____	/ HR
_____ (OTHER)	\$ _____	/ HR

B. The cost of all materials, including transportation of materials, supplies, and equipment incorporated into the Home and Premises, and any tools consumed while doing the work.

C. Payments made by the Contractor to the Subcontractors for work on the Premises.

D. Rental charges for temporary facilities, machinery and equipment used on the Premises, including all costs of installing, repairing and replacing, removing, transporting, and delivering the machinery and equipment.

E. Premiums for insurance and bonds that are directly attributable to the performance of the Contract.

F. The cost for removal and disposal of debris and waste from the site.