

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 during 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 amount of liquidated damages owed. Should there not be enough Deposit funds to honor the specified amount of liquidated damages, then Owner(s) shall be responsible for paying the balance 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) shall use all reasonable diligence to obtain loan approval and shall pay all loan expenses. In the event 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. Contractor shall not commence any construction activities until after this contingency is satisfied.

Select from one of the two options for Contractor's fee:

- A. Cost Plus a percentage Contractor's fee - The Owner(s) will pay to the Contractor the "Cost of Work" in the performance of this Contract, plus a Contractor's fee equal to _____% of the Cost of Work.
- B. 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 incurred by the Contractor in the performance of the Contract. The "Cost of Work" shall be calculated to include, but not be limited to, 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