

Cost Plus Percentage Contract

Construction Company

Address

City, State, ZIP

Phone Number

Date: _____

Owner: _____

Address: _____

City, State, ZIP: _____

Project name: _____

This agreement is made this _____ day of _____, 19____
between _____, the owner, and _____
_____, the contractor. The owner and the contractor agree as set forth below:

1. The contractor accepts the relationship of trust and confidence established between his company and the owner by this agreement. He covenants with the owner to furnish his best skill and judgment in furthering the interest of the owner. He agrees to furnish efficient business administration and supervision and to use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in a most expeditious, economical and workmanlike manner.

2. The work to be performed under this contract shall commence _____.
The contractor shall use his best efforts to complete said work of improvement on or before

_____.

3. The owner agrees to reimburse the contractor for the direct "cost of the work" as defined in paragraph 6 below. Such reimbursement shall be in addition to the contractor's fee stipulated in paragraph 4.

4. In consideration of the performance of the contract, the owner agrees to pay the contractor as compensation for his services a contractor's fee as follows:

_____ % (percent) of all costs incurred over total project length paid as per paragraph 11.

5. The scope of the work shall consist of the "categories of work" described on the estimate attached hereto. The estimate is attached solely for the purpose of describing the category of work. The pricing on the estimate shall have no bearing on the cost of the work.

6. The term "cost of work" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by the contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

7. The contractor shall procure the necessary permits for the work of improvement. Owner shall pay the governmental fees and contractor's charges for said permits.

Cost Plus Percentage Contract (Continued)

8. All portions of the work that contractor's employees cannot perform directly shall be performed under subcontracts. Unless owner has agreed in advance all subcontracts shall be on a fixed price basis. The contractor shall secure the owner's consent before entering into any subcontracts.

9. The contractor shall keep full and detailed accounts as may be necessary for proper financial management under this agreement. The owner shall be afforded access to all the contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and the contractor shall preserve all such records for a period of three years after the final payment.

10. The owner agrees to pay a twenty-five percent deposit upon obtaining permits or start of job, whichever occurs first.

11. The contractor shall, every two weeks during the course of work, deliver to the owner a statement showing in complete detail all costs incurred by his company in the execution of this contract for the preceding two week period. Accompanying said statement shall be a copy of all back-up documentation including material procurement invoices, payrolls for all the labor and all receipted bills for which payment is due. The owner shall review the statement and shall remit such amount within three days of the owner's receipt of the statement.

The final payment, constituting the unpaid balance of the cost of the work and the final contractor's fee, shall be paid by the owner to the contractor when the work has been completed and the contract fully performed.

12. The contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

13. The contractor hereby agrees to hold the owner harmless and to indemnify the owner against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of the contractor, its agents or employees.

This agreement is executed the day and year first written above.

Owner

Contractor

License number

Date

Date