

**Cost-plus contract.**

Agreement, made \_\_\_\_\_ [date], between \_\_\_\_\_ of \_\_\_\_\_, referred to as contractor, and \_\_\_\_\_ of \_\_\_\_\_, referred to as owner.

1. Owner agrees to employ contractor in the erection of a building, as described below, under the following conditions and terms.

2. Contractor agrees to furnish complete plans and specifications, hire all labor and buy all material and make contracts for such departments of the work as are necessary to handle in that manner. Contractor also agrees to furnish a competent superintendent to oversee all work and inspect all material, to insure obedience to the specifications, look after paying all bills of every kind and nature in connection with the work, and obtain waivers of lien from all material companies and subcontractors.

3. Contractor estimates the cost of the building, including their own services, in advance of making the complete plans and specifications, will not exceed \$ \_\_\_\_\_ and should the final figures, obtained after making plans and specifications, exceed the above estimate either party shall have the right to cancel this contract.

4. It is agreed that the actual cost of the building shall be on the basis of the cost of material and labor and the amounts paid subcontractors, to which shall be added \_\_\_\_\_ percent for the overhead expense incurred by contractor and \_\_\_\_\_ percent to cover the services of contractor. If these total figures shall exceed the above estimate the excess shall be paid by contractor, and if they are less than the above figures, owner shall have the benefit. Should any changes be made, after the contract has been signed, which increase the cost, the guaranteed figures as stated above, shall automatically be increased accordingly.

5. Owner agrees to cooperate with contractor and pay any costs that may be necessary in the financing of the building, and to pay contractor for the construction of the building in the following manner:

\_\_\_\_\_ percent when the foundation walls are complete.

\_\_\_\_\_ percent when the roof is on.

\_\_\_\_\_ percent when the plumbing and heating is roughed in.

\_\_\_\_\_ percent when the interior finish is complete.

Balance when all work is completed.