

**INSTRUCTIONS
RESIDENTIAL CONSTRUCTION COST PLUS CONTRACT**

All capitalized terms not defined herein shall have the same meaning as the “Residential Construction Cost Plus Contract.”

<u>Page No</u>	<u>Section</u>	<u>Description</u>
1	Intro	<p>Parties: Both “Owner” and “Contractor” should be identified using full legal name under which contract is to be executed, including the state of formation and entity type (i.e. “a Washington limited liability company” or “a Washington corporation”). Where appropriate, a copy of resolution authorizing individual to act on behalf of entity should be attached.</p> <p>Name: The main contact person for both Parties should be added. If there are multiple contacts, add all names.</p> <p>Address: Insert the mailing address for each Party.</p> <p>Email: Add the email address for each contact person and other email addresses that should be used for correspondence.</p>
1	Intro	<p>Property: Represents the Property that is the subject of the construction contracts.</p> <p>Address: Add the street address of the Property.</p> <p>County: Identify the county in which the Property is located.</p> <p>Tax Parcel Number: Identify the tax parcel number (also known as the “Assessor’s Parcel Number” or “APN” in certain counties).</p> <p>If applicable, include other identifying information about the property, including but not limited to (1) official name or title of facility; (2) proposed building usage; and (3) size and capacity.</p>
1	Intro	<p>Date: Represents the date Contract becomes effective (but it does not mean the date that Work begins). This date may be date of oral agreement, date Contract originally submitted to the other party, date authorizing action taken, or date of actual execution/signature. As best practice, the identified date should be the day that both Parties come to an agreement on the Contract and sign the Contract.</p>
1	2.2	<p>Permits: Identify whether the Owner or Contractor is responsible for obtaining approval from the appropriate governmental agencies to include all necessary permits for construction of the Project.</p>
1	3.1	<p>Estimated Project Cost: Provide the Estimated Cost to complete the Project. Write the amount in words and the numerical amount in the parentheses. For example, if the total cost was \$12,345.67, you would write it out as follows: TWELVE THOUSAND THREE HUNDRED FORTY-FIVE AND 67/100 DOLLARS (\$12,345.67).</p>

2-3	3.2	<p>The Cost of the Work/Cost Plus Fee: This contract is written as a “cost plus contract” in which the Contractor estimates the cost of the Work, but the actual cost is ultimately determined by the actual costs of labor and materials supplied by the Contractor. The actual cost of Work may be higher, equal to, or lower than the Estimated Cost. The Cost Plus Fee represents the sum of (1) Actual Costs (defined in the contract), a percentage fee of the Actual Costs, and sales tax. Identify the percentage rate.</p>
2	3.3	<p>Down Payment: Identify the down payment amount that is due prior to the Contractor commencing Work on the Project. The down payment amount is credited against the total actual cost of Work. Write the amount in words and the numerical amount in the parentheses. For example, if the total cost was \$12,345.67, you would write it out as follows: TWELVE THOUSAND THREE HUNDRED FORTY-FIVE AND 67/100 DOLLARS (\$12,345.67).</p>
3	3.5	<p>Lien Release: A lien release is a document signed in exchange for payment that waives the signer’s right to file a lien for the amount specified in the release (typically the agreed-upon amount paid for work completed). This ensures that the parties get what they earned, and payment is fair and transparent. You can think of lien releases as the construction industry’s version of a receipt for payment.</p> <p>Enter lien amount here. Write the amount in words and the numerical amount in the parentheses. For example, if the total cost was \$12,345.67, you would write it out as follows: TWELVE THOUSAND THREE HUNDRED FORTY-FIVE AND 67/100 DOLLARS (\$12,345.67).</p>
4	5.2	<p>Liquidated Damages:</p> <ol style="list-style-type: none"> (1) Insert the daily rate amount of liquidated damages Contractor agrees to pay Owner if Contractor fails to meet the Substantial Completion Date. (2) Insert the maximum amount of total liquidated damages Contractor agrees to pay Owner if Contractor fails to meet the Substantial Completion Date. <p>Write the amount in words and the numerical amount in the parentheses. For example, if the total cost was \$12,345.67, you would write it out as follows: TWELVE THOUSAND THREE HUNDRED FORTY-FIVE AND 67/100 DOLLARS (\$12,345.67).</p>
9-10	12.6	<p>Notices: Insert the mailing addresses of Owner and Contractor for delivery of notice relating to Contract Documents.</p>
10		<p>Signatures:</p> <ul style="list-style-type: none"> • Contractor – The individual who has authority to sign on behalf of company should sign the contract and include their printed

		<p>name, title, date, and the Company’s Contractor Registration Number.</p> <ul style="list-style-type: none"> • Owner – all owners of property should sign and date the contract (for example, if the Property is owned by a husband and wife in their marital capacity, both should sign). To the extent the Owner is an entity, the signatory must have the authority to sign on behalf of the Owner-entity and must include the signatory’s printed name, title, and signing date.
<p>11-12</p>		<p>Exhibits: You will need to include the following Exhibits only to the extent they are used/relevant to the subject project and update the Exhibit list accordingly based on Exhibits used:</p> <ul style="list-style-type: none"> A – Conditional Lien/Claim Release B – Final Lien Release C – Disclosure Statement Notice to Customer D – Change Order Form E – Initial Project Schedule F – Express Limited Home Warranty G – Assignment of Manufacturers’ Warranty