

CONSTRUCTION AGREEMENT

This Construction Agreement (the "Agreement") dated _____ for reference is made by
and between:

_____, of

(the "Contractor")

AND:

_____, of

(the "Owner")

(collectively, the "Parties")

1. Project and Scope of Work. The Owner retains the Contractor to perform the work described in Schedule "A" (the "Work") at the property located at _____ (the "Property"). The Work includes only the labour, materials, equipment and services expressly described in Schedule "A" or in a written Change Order. Any drawings, specifications, assumptions, exclusions, owner-supplied items, allowances, alternates and standards of finish should be identified in Schedule "A". Upon completion, the Contractor will remove its tools, surplus materials and construction debris from the Property, subject to any agreed exclusions.

2. Fixed Contract Price. The Owner will pay the Contractor a fixed price of \$ _____ (CAD), plus applicable taxes, for the Work (the "Contract Price"), subject only to written Change Orders, allowances, agreed reimbursable items and adjustments expressly permitted by this Agreement. Unless stated otherwise in Schedule "A", the Contract Price excludes permit fees, utility charges, testing, engineering, design, hazardous-material work, concealed conditions and work outside the described scope.

3. Payment Schedule. The Owner will pay the Contract Price as follows, subject to any statutory holdback required by applicable law:

- a. 10% of the Contract Price, plus applicable taxes, as a deposit upon signing this Agreement;
- b. progress payment(s), if any: _____; and
- c. the unpaid balance upon substantial completion of the Work, less any deficiency holdback agreed in writing and less any statutory holdback required by applicable law.

The Owner will pay each proper invoice within 5 days after the invoice date. Overdue amounts bear interest at 2% per month, compounded monthly, or the maximum rate permitted by law if lower. Payment is not a waiver of the Owner's right to require correction of deficiencies properly identified under this Agreement.

4. Access and Owner Responsibilities. The Owner will provide safe, continuous and reasonable access to the work areas for workers, vehicles, deliveries, storage and waste removal. The Owner will identify known hazards, property lines, services, strata/building rules, security requirements and restrictions that may affect the Work. Unless Schedule "A" states otherwise, the Owner is responsible for obtaining and paying for required owner approvals, strata approvals and access permissions, and for ensuring that work areas are free of personal property and occupants as reasonably required.

5. Site Conditions and Existing Work. The Contract Price is based on the Contractor's reasonable inspection and on information provided by the Owner. Concealed, unknown or materially different

conditions, including unsuitable soil, rot, mould, hazardous materials, undocumented utilities, deficient existing work, code upgrades, structural issues or conditions not reasonably discoverable before signing, are excluded from the Contract Price and will be addressed by Change Order or other written direction before the affected work proceeds, except in an emergency.

- 6. Change Orders.** No change to the Work, Contract Price or schedule is binding unless recorded in a written Change Order signed by both Parties before the changed work proceeds. A Change Order should describe the changed work, the price adjustment or pricing method, any schedule impact and any taxes. If the Owner directs or accepts changed work without a signed Change Order, the Owner will pay the Contractor the reasonable value of the changed work plus applicable taxes, provided the Contractor confirms the change in writing as soon as practicable.
- 7. Schedule.** The Contractor will use commercially reasonable efforts to perform the Work in accordance with the following schedule:
 - a. Start Date: _____
 - b. Target Substantial Completion Date: _____Dates are estimates unless Schedule "A" expressly states that a date is firm. The schedule will be extended for Change Orders, Owner delay, delayed selections or approvals, non-payment, permit or inspection delays, material shortages, weather, labour disruptions and other events beyond the Contractor's reasonable control.
- 8. Permits, Codes and Inspections.** The Contractor will perform the Work in a good and workmanlike manner and in substantial accordance with applicable building code requirements that apply to the Work. The Party identified in Schedule "A" as responsible for permits will obtain and pay for required permits and inspections. If no Party is identified, the Owner is responsible for permit costs and the Contractor is responsible for coordinating inspections reasonably required for the Work it performs.
- 9. Subcontractors and Suppliers.** The Contractor may subcontract portions of the Work and purchase materials from suppliers selected by the Contractor. The Contractor remains responsible for managing its subcontractors and suppliers. The Owner will not direct, interfere with, or separately contract with the Contractor's subcontractors or suppliers in relation to the Work without the Contractor's written consent. The Contractor will not use a subcontractor or supplier to whom the Owner has reasonably objected in writing before engagement.
- 10. Safety, Insurance and Workers.** The Contractor is responsible for the safety of its own workers and subcontractors while performing the Work. The Owner will not direct the means, methods or safety procedures of the Work. The Contractor will maintain insurance and workers compensation coverage appropriate for the Work, unless Schedule "A" states otherwise, and will provide reasonable evidence of coverage upon request. The Owner is responsible for maintaining property insurance for the Property and contents.
- 11. Emergency Work.** If the Contractor reasonably determines that immediate work is required to protect persons, the Property, the Work or neighbouring property from imminent damage or unsafe conditions, the Contractor may take reasonable emergency steps as the Owner's agent. The Owner will pay the reasonable cost of emergency work that is outside the original scope, plus applicable taxes, unless the emergency was caused by the Contractor's breach of this Agreement.
- 12. Deficiencies and Warranty.** The Owner must notify the Contractor in writing of any alleged deficiency or warranty issue within a reasonable time after discovery and must give the Contractor a reasonable opportunity to inspect and correct it. For 1 year after substantial completion, the Contractor will correct, at no charge for labour, deficiencies in the Work caused by the Contractor's poor workmanship or failure to perform the Work in substantial accordance with Schedule "A", applicable plans, specifications and applicable code requirements. Manufacturer or supplier warranties for materials and equipment are passed through to the Owner to the extent available.

The warranty excludes normal wear and tear, owner-supplied materials, changes by others, misuse, lack of maintenance, movement or failure of existing structures, concealed conditions, mould or hazardous substances not caused by the Contractor, weathering, corrosion, acts of God and damage caused by anyone other than the Contractor or its subcontractors. If others alter or repair

the affected work without giving the Contractor a reasonable opportunity to inspect and correct it, the Contractor is not responsible for that affected work except to the extent required by law.

13. Suspension and Termination. The Owner may terminate this Agreement by written notice if the Contractor materially breaches the Agreement and fails to correct the breach within 10 days after written notice. The Contractor may suspend the Work or terminate this Agreement by written notice if the Owner fails to pay an amount when due, fails to provide access, delays the Work, or otherwise materially breaches the Agreement and fails to correct the breach within 10 days after written notice. Suspension extends the schedule and entitles the Contractor to recover reasonable shutdown, remobilization and delay costs caused by the suspension.

Termination does not affect accrued rights or amounts owing. On termination, the Owner will pay for Work performed, materials ordered or delivered, non-cancellable commitments, approved Change Orders, reasonable demobilization costs and applicable taxes, less amounts previously paid and less any amount properly withheld for defective or incomplete work.

14. Limitation of Liability. To the fullest extent permitted by law, neither Party is liable to the other for indirect, special, punitive or consequential damages, including loss of profit, loss of use, financing costs or business interruption, except for fraud, wilful misconduct, bodily injury, property damage, unpaid amounts, lien-related obligations or amounts that cannot lawfully be limited. Nothing in this Agreement limits liability that cannot be limited by applicable law.

15. Disputes. The Parties will first attempt to resolve any dispute through good faith discussions between authorized representatives. If a dispute is not resolved promptly, either Party may refer the dispute to mediation in British Columbia before commencing litigation, unless urgent relief, lien preservation or collection of undisputed amounts is required. The Parties will continue performing undisputed obligations while a dispute is being addressed.

16. Notices. Notices must be in writing and delivered personally, by courier, by mail, or by email to the addresses set out in this Agreement or to any updated address provided in writing. Email notice is effective when sent, unless the sender receives an automated delivery failure notice. Notices of breach, suspension or termination should also be sent by courier or personal delivery where practicable.

17. Entire Agreement and Amendments. This Agreement, including Schedule "A" and signed Change Orders, is the entire agreement between the Parties for the Work and supersedes prior discussions, estimates, proposals and representations. Any amendment must be in writing and signed by both Parties.

18. General. This Agreement is governed by the laws of British Columbia and the applicable laws of Canada. It binds and benefits the Parties and their permitted successors and assigns. Neither Party may assign this Agreement without the other Party's written consent, not to be unreasonably withheld. If any provision is invalid, the remaining provisions continue in force. A waiver must be in writing and applies only to the specific matter waived. This Agreement may be signed in counterparts and by electronic signature, each of which is deemed an original.

[SIGNATURE PAGE FOLLOWS]

BY SIGNING BELOW, EACH PARTY ACKNOWLEDGES HAVING READ AND UNDERSTOOD THIS AGREEMENT AND AGREES TO BE BOUND BY IT.

The Parties agree to the terms and conditions set forth above as demonstrated by their signatures below:

CONTRACTOR

OWNER

Per: _____

Name: _____

Name/Title: _____

Signature: _____

Date: _____

Date: _____

SCHEDULE A
THE WORK

Permits/inspections responsibility:

Drawings/specifications relied on:

Phase / Item	Included Scope	Exclusions / Assumptions / Allowances
Example: Waterline Install	Excavation and trenching Fill materials Waterline materials Backfill and cleanup	Rock excavation, dewatering, utility relocation, hazardous materials, landscaping restoration and permit fees unless expressly included

Materials, selections and owner-supplied items, if any:

Allowance items and amounts, if any:

Special conditions:
