

RENOVATION AGREEMENT

JOB NUMBER

BETWEEN:

_____ (phone) _____

of (mailing address) _____

GST/HST Registration # _____

in the province of British Columbia (in this Agreement called the "Renovation Contractor")

AND:

of (mailing address) _____

in the Province of British Columbia (in this Agreement called the "Owner")

NOW in consideration of the payments to be made by the Owner (and if more than one person, the Owner's obligations shall be joint and several), and the Renovation Contractor's performance of the Work, as specified in this Agreement, the Renovation Contractor and the Owner agree as follows:

1. CONTRACT DOCUMENTS

The "Contract Documents" describing the Work to be performed pursuant to this Agreement are (in order of priority):

- A) This Agreement;
- B) Drawings attached and/or listed in the list attached;
- C) Specifications attached and/or listed in the list attached;
- D) Additional documents signed by both parties during the course of this Agreement. (Extras and deletions to be documented on the Change Work Order or other agreed form.); and
- E) _____

Discrepancies and omissions in the Contract Documents, site conditions, unanticipated circumstances and any work requested at variance with the Contract Documents are considered change to the Work, and are not included in the Contract Price.

2. DESCRIPTION OF WORK

The Renovation Contractor agrees to supply all the labour and materials (the "Work") to perform all of the work as described in the Contract Documents and as set out below:

Work includes the following: _____

Work does not include: _____

3. COST OF WORK

The Contract Price includes only:

A) All wages and benefits for the Renovation Contractor, his labour force and office personnel, for that portion of their time spent on the Work;

B) The cost of all subcontractors and suppliers providing labour, materials, products, supplies and equipment incorporated into or consumed in the performance of the Work, including costs of transportation thereof; and

C) Other costs incurred in the performance of the Work as listed below: _____

4. TIMING

A) Work will commence (subject to this paragraph 4) on or before _____

B) Substantial Performance (as defined by the Builders Lien Act) of the Work will be achieved (subject to this paragraph 4) on or before _____

C) Commencement, progress and Substantial Performance of the Work is subject to change due to delays caused by written changes by the Owner, verbal instructions from the Owner, subcontractors or workers on site, unanticipated conditions, including structural or system problems, or for reasons beyond the Renovation Contractor's reasonable control, including without limitation, delays caused by work undertaken by the Owner, his contractors, agents or servants, labour disputes, lack of supply, facilities, equipment, labour, or materials, fire, natural disaster, government action or inaction, injunction or other judicial process, or any other causes beyond the reasonable contract of the Renovation Contractor,

D) The Renovation Contractor and Owner agree that if the Renovation Contractor is not able to commence the Work within a period of sixty (60) days from the date set out above due to causes referred to in subparagraph (c), such as inability to obtain a building permit, failure of the Owner to qualify for a mortgage or failure to comply with provincial or municipal statutes, then the Renovation Contractor or the Owner may cancel this Agreement on written notice delivered to the address shown in this Agreement. The Renovation Contractor's liability to the Owner shall be limited to the refund of any unexpended monies paid by the Owner to the Renovation Contractor.

5. TERMS OF PAYMENT

The amount payable by the Owner for the Work (the "Contract Price") will be calculated (with GST/HST to be included or not as noted) on the following basis:

Cost of the Work, plus a fee of _____ percent (_____%).
(*GST/HST included _____ / GST/HST not included _____)

Payments on account of the Contract Price will be made on a bi-weekly basis on _____, OR
on a monthly basis on _____.

-OR-

Cost of the Work, plus fixed fee of _____ dollars; (\$_____)
(*GST/HST included _____ / GST/HST not included _____)

A percentage of the fixed fee will be paid on the presentation of each billing and shall be proportionate to the percentage of Work completed and shall be due and payable as outlined in the Payment Schedule set out below.

-OR-

Stipulated lump sum of _____ dollars; (\$_____)
(*GST/HST including _____ / GST/HST not included _____) and shall be due and payable as outlined in the Payment Schedule set out below.

NOTES:

- (a) Subject to the Builders Lien Act, and in accordance with provisions of the Agreement conditions, the Owner shall make payments to the Renovation Contractor on account of the Contract Price as set out in this Agreement. Time of such payments is of the essence.
- (b) On or before the _____ day of the each month the Renovation Contractor shall make application for progress payments to the Owner for approval and due processing covering the Cost of the Work, including the value of materials delivered to the site and work performed by the Renovation Contractor. Payment to the Renovation Contractor by the Owner of each progress payment, less any holdbacks under the Builders Lien Act, shall become due and payable 14 days after the submission date.
- (c) Provided no claims of lien are then filed against title to the Lands, the builders lien holdback, or a portion thereof, will be payable to the Renovation Contractor on the later of 55 days after (i) the Owner (or the Payment Certified under the Builders Lien Act, if one has been appointed) has certified that the Work or a portion thereof has been completed and (ii) the Work or a portion thereof is completed, abandoned or terminated.

For greater certainty, if under the *Builders Lien Act*, a certificate of completion is issued in respect of a subcontract to which the Renovation Contractor was a party and the builders lien holdback period under such subcontract has expired without any claims of lien being filed thereunder, the Renovation Contractor will be entitled to receive from the builders lien holdback with held by the Owner from the Renovation Contractor an amount equal to the builders lien holdback amount applicable to such subcontract. Under no circumstances will any portion of the builders lien holdback be held back to require the Renovation Contractor to complete deficiencies.

- (d) The Owner and the Renovation Contractor agree to comply with all relevant provisions of the Builders Lien Act and this Agreement and to act reasonably and in good faith in so doing. The Renovation Contractor will be solely responsible for retaining the builders lien holdbacks from all applicable sub-contractors (not including workers, material suppliers, architects or engineers)
- (e) If the Contract Price is in excess of \$100,000.00, the Owner and Renovation Contractor shall jointly administer a holdback account at the financial institution agreed upon and set out below, as required by the Builders Lien Act. The holdback account shall be maintained at the (financial institution) _____ (address).

Holdbacks are to be placed in an interest-bearing account with the interest payable to the Renovation Contractor, subject to default by the Renovation Contractor.

6. PAYMENT SCHEDULE

PROGRESS

PAYMENT

- a) Upon signing of Contract _____ dollars, \$ _____
- b) Upon completion of _____ dollars, \$ _____
- c) Upon completion of _____ dollars, \$ _____
- d) Upon completion of _____ dollars, \$ _____
- e) Upon completion of _____ dollars, \$ _____
- f) Upon Substantial Performance as defined in the Builders Lien Act _____ dollars, \$ _____
- g) 10% Holdback as per section 5 _____ dollars, \$ _____

Interest of _____% per annum shall be charged on overdue payments. All payments are to be made to the Renovation Contractor only and not to sub-contractors.

7. CHANGES IN WORK

- (i) The Owner may make changes by adding to, or deducting from the Work, with the Contract Price and Timing (see paragraph 4) being adjusted accordingly.
- (ii) No change to the Work will be made by the Renovation Contractor without a written "Change Work Order" form or other agreed form signed by both the Renovation Contractor and the Owner.
- (iii) Costs of changes to the Work will be calculated on the cost resulting from the changes plus _____% basis, unless a lump sum is agreed upon in advance, and such costs are payable no later than the next scheduled payment after the supply or construction of the change.
- (iv) Deletions from the Work will result in a deduction from the Contract Price equal to the actual cost of the deletion from the Work, and be deducted from the relevant or next scheduled payment.

8. STANDARDS APPLICABLE TO THE WORK

The Renovation Contractor agrees to supply all labour, materials and supervision to complete the Work in accordance with the Contract Documents, and agrees to undertake all Work diligently in a good and workmanlike manner, in all material respects in accordance with reasonably applicable residential standards, the Contract Documents and in compliance with applicable building codes and bylaws, and municipal building, plumbing, electrical, heating inspections and all requirements of all other authorities having jurisdiction over the Work.

The Owner accepts that there will be inconveniences from time to time and the Renovation Contractor agrees to reduce such inconveniences to the extent reasonably possible within the confines of the Contract Price and Timing. The Owner agrees to ensure that the Renovation Contractor has all required access to the Work and the site, and will ensure that there is no undue interference with the performance of the Work.

9. CLEANUP

The Renovation Contractor shall at all times maintain the property reasonably free from all rubbish and waste material created by the Renovation Contractor. At the completion of the Work, the Renovation Contractor shall clean the property of all rubbish and waste material created by the Renovation Contractor.

10. WARRANTY

- (a) The Renovation Contractor shall correct, at its own expense, any material defects in the Work due to faulty materials and/or workmanship of which the Owner has given notice in writing within a period of one year from the Substantial Performance of the Work.
- (b) The Renovation Contractor shall correct and/or pay for any damage to other Work resulting from any corrections required in paragraph 10(a).
- (c) The Owner shall give the Renovation Contractor detailed written notice of any defects promptly and within one year of Substantial Performance of the Work, failing which any and all warranties, or liability for the Work, or damages resulting from the performance of the Work, shall expire and cease, and the Owner hereby waives any and all rights, claims or demands, whether in contract or tort as against the Renovation Contractor in relation to the Work, except as set out in this Agreement.
- (d) Special Conditions restricting/limiting/affecting this warranty. (List if any)

11. LIABILITY INSURANCE

The Renovation Contractor will provide and maintain, as a Cost of the Work (unless stated otherwise), reasonable insurance against claims made for damages for personal injury or property damage by reason of anything done or not done by the Renovation Contractor, its employees or agents, in connection with the performance of the Work.

12. WORKERS' COMPENSATION

At any time during the term of this Agreement when requested of the Owner, the Renovation Contractor will provide such evidence of compliance with all requirements with respect to payments due under the Workers' Compensation Act. It is specifically understood that Workers' Compensation Act premiums and costs are included in the Contract Price as a Cost of the Work (unless stated otherwise).

13. DEFAULT BY OWNER

If payment of any of the amounts herein agreed to be paid to the Renovation Contractor at the times and in the manner provided are not so made, or if the Owner defaults in any of the other covenants or agreements herein, the Renovation Contractor may, at its option but on notice to the Owner, cease work and treat the Agreement as repudiated forthwith on the occurrence of such default, and the Renovation Contractor may recover full payment for the Work already completed proportionately to the total Contract Price plus damages, including loss of profit.

14. DEFAULT BY RENOVATION CONTRACTOR

If the Renovation Contractor neglects to prosecute the Work in accordance with the terms of this Agreement, or fails to make prompt payments to sub-contractor, material suppliers or labourers, or if the Renovation Contractor becomes bankrupt or makes a general assignment for the benefit of its creditors, or if a receiver of the Renovation Contractor is appointed, the Owner may by a written notice to the Renovation Contractor require it to cure the default, neglect or event specified in such notice within fifteen (15) days. If the Renovation Contractor fails to comply with the notice in the time so limited, the Owner may take possession of the lands and of all materials and appliances thereon and finish the work in accordance with the Contract Documents as the Owner may deem expedient but without undue delay or expense. In such event, the Renovation Contractor shall not be entitled to any further payment under this Agreement until completion of the Work, when an accounting shall be made between the Owner and Renovation Contractor taking into account the respective costs to complete the Work in comparison to the Costs of the Work as at the time the Owner took possession of the lands. If the unpaid balance of the Contract Price exceeds the expenses of finishing the Work, such excess shall be paid to the Renovation Contractor; however, if such expenses exceed such unpaid balance, the Renovation Contractor shall pay the difference to the Owner.

15. PAYMENT CERTIFIER

The payment certifier (the person responsible for certifying when payments are due, if or when required, under the Builders Lien Act) will be _____ of _____ (the "Payment Certifier"). If no Payment Certifier is named in this agreement, then the Owner alone will be the Payment Certifier in respect of the amounts due to the Renovation Contractor and the Owner and the Renovation Contractor acting together will be the Payment Certifier in respect of amounts due to any subcontractor. The Payment Certifier agrees to act reasonably and in accordance with the Builders Lien Act.

Name of Payment Certifier (print): _____

Signature of Payment Certifier: _____
(If an architect, engineer or other person so specifically designated)

THIS AGREEMENT made this _____ day of _____, 20____ will be construed under the laws of the Province of British Columbia. This Agreement supersedes all prior communications and agreements and there are no other terms outside this Agreement.

Renovation Contractor (print): _____

Name of Signing Authority (print): _____

Signature of Signing Authority: _____

Name of Owner(s) (print): _____

Name of Owner(s) (print): _____

Signature of Owner(s): _____

Signature of Owner(s): _____

N.B. This form of agreement is provided by the Canadian Home Builders' Association of B.C. as a service to the industry. The Association accepts no responsibility whatsoever for its sufficiency and recommends that appropriate professional advice be sought.