



Basement Contract

Owner(s): Joe Homeowner

Address:

Telephone: \_\_\_\_\_ Fax \_\_\_\_\_ E-mail:

Project address (if different from above) \_\_\_\_\_

**1. Contract Documents**

(a) This Contract form

(b) Estimated bid spread sheet

(c) Drawings attached and/or referenced herein (if any)

(d) Specifications attached and/or referenced herein (if any)

(e) Additional documents signed by both parties during the course of this Contract. Extras and deletions to be documented on a Change Order Form and signed by both parties.

Omissions in the Contract Documents and any work requested in variance to the Contract Documents are considered extra to the Contract and are not included in the Contract Price. Any additional work, required due to site conditions known to the Owner and not disclosed to the Contractor, or which could not be reasonably anticipated by the Contractor, are not included in the Contract Price and shall be extra to the Contract Price.

**2. Description of Work**

Unless otherwise stated, the Contractor agrees to supply all materials, labor and supervision to perform the Work as (choose one):

Described below

Described in the attached Work Schedule

a. The Work entails the following : Completion of entire addition and interior remodel in accordance with the design specifications in the architectural drawings.

b. The Work does NOT include the following: Any thing not covered in the estimate document.

c. Permits

Work will be performed in accordance with required permits which will be provided and paid for by the Contractor unless other wise denoted.

d. Sub-trades

Nothing contained in the Contract Documents is intended to, nor shall it, create any contractual relation between the Owner and any sub-trade. The Contractor agrees that it is responsible for the enforcement of all material provisions of all subcontracts.

**3. Timing**

Work to commence on or before (date) \_\_\_ The week of Oct. 15th

Targeted Completion on or before (date) \_\_\_ March 1st

A job schedule will be given to the Owner which will be updated weekly.

**4. Terms of Payment**

The Contract price is to be calculated as follows (select one):

(a) Stipulated fixed cost basis (all inclusive) \$ \_\_\_\_\_, plus GST/HST  
Payments shall be due and payable as outlined in the Payment Schedule.

(b) Cost plus \_\_\_\_\_% of cost, plus GST/HST Payments shall be due on a bi-weekly \_\_\_\_\_ or monthly \_\_\_\_\_ basis (check one).

(c) Cost plus fixed fee of \_\_\_ \$7,000 \_\_\_\_\_, plus GST/HST, with a savings bonus of 10% of all savings (based on the original estimated figures).

Payment shall be due and payable as outlined in the Payment Schedule. A percentage of the fixed fee shall be paid on the presentation of each billing and shall be proportionate to the percentage of work completed for that billing period.

**5. Payment Schedule**

The Owner will make payments to the Contractor as follows:

Signing of Contract 20%

Upon completion of framing 20%

Upon completion of rough inspections 20%

Upon completion of trim out 30%

Upon final inspections 10%

Payment is due within 7 days of invoicing. Interest of 10% per annum, or the maximum rate allowable by law, whichever is less, will be charged on unpaid invoices after the due date.

All payments are subject to applicable legislation and shall be made in accordance with provisions of this Contract and the provisions of any applicable legislation. All payments must be made to the Contractor. Any payment to a subcontractor is not deemed a payment to the Contractor.

## **6. Changes in Work**

The Owner may make changes by altering, adding to, or deducting from the Work, with the Contract and Contract Price being adjusted accordingly. Changes to the Work require a written Change Order Form, signed by both the Owner and the Contractor.

a) Extras will be calculated in the following manner (check one):

- 1) \_\_\_ Material cost plus hourly rate of \$ \_\_\_
- 2)  Labor and material cost plus 15 %
- 3) \_\_\_ A lump sum to be agreed on in advance by both parties.

b) Deletions will be calculated on a cost less 15 % basis, to be deducted from the relevant or next scheduled payment.

## **7. Standards of Work**

The Contractor agrees to supply all labor, materials and supervision to complete the Work in accordance with the Contract Documents.

The Contractor agrees to undertake all Work diligently in a good and workmanlike manner, in accordance with good quality residential standards and practices, and in compliance with any applicable Building Code and all other authorities having jurisdiction.

The Owner accepts that there may be inconveniences from time to time, and the Contractor agrees to keep such inconveniences to a reasonable minimum. It is the responsibility of the Owner to take reasonable steps to provide a work area free of household obstructions, and to remove or protect household items in areas where it may be reasonably anticipated by the Owner that they may be subject to dust, damage or vibrations.

The Contractor agrees to keep the site orderly and reasonably free of debris. At the completion of the project, the Contractor shall clean the property and leave it fit for use. All equipment, materials, rubbish and similar material incidental to the project shall be removed by the Contractor.

## **8. Warranty**

The Contractor shall correct, at its' own expense, any defects in the Work due to faulty materials for a period of 2 year(s) and/or workmanship pursuant to this Contract for a period of 10 year(s) from the date of Full Completion.

The Owner shall give the Contractor written notice of such defects within a reasonable time, and in any event within the warranty period. "Workmanship" excludes anything

covered in manufacturers warranty or defects unrelated to installation, things requiring seasonal maintenance, damages caused by normal “wear and tear”, and or damages covered in home owners policy.

Special conditions limiting/affecting this warranty (if any)

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The Contractor will convey to Owner any warranties by manufacturers or suppliers on individual materials, products or systems supplied by Contractor under this Contract.

The Contractor does not warrant labor and/or materials supplied by the Owner or the Owner’s subcontractors. The Contractor shall protect the Work, the Owner’s property and the property of third parties from damage occasioned by the performance of its obligations under the Contract Documents.

**9. Insurance**

Prior to commencing the Work, the Contractor agrees to provide, maintain and pay for insurance during the time the Work is being performed, including commercial general liability in the minimum amount of \$1,000,000 against claims for damages for personal injury or property damage by reason of anything done or not done by the Contractor, its employees or agents, in connection with the performance of this Contract. The Contractor will also provide proof of automobile liability insurance. The Contractor is responsible for all materials on site provided by the Contractor for the Work in this Contract until installed.

**10. Compliance with Workers Compensation and Other Laws**

The Contractor agrees to provide evidence of compliance by the Contractor’s own company and any of the Contractor’s subcontractors with all requirements for registration and payments due under the province’s workers’ compensation statute.

The Contractor also agrees to comply with all laws, ordinances, rules, regulations, codes and orders in force during the performance of the Contract which relate to the preservation of public health or construction safety.

**11. Other Contractors**

Owner reserves the right to let separate contracts in connection with the Work or to do certain work by Owner’s own forces as specified in Description of Work.

The Contractor shall include in his work co-ordination with Owner’s separate contractors or forces, and Owner shall pay the Contractor \$ \_\_\_\_\_ for coordination of same

**12. Dispute Resolution**

The Owner and the Contractor agree that in the event of a dispute as to the interpretation of this Contract or the extent of the Work, the issues shall be submitted to arbitration as agreed to by both parties or under the province's arbitration statute.

**13. Default by Owner**

In the event that (a) the Owner does not perform its obligations under this Contract in accordance with the terms of this Contract and has not corrected the default within 7 days of written notice by the Contractor, or (b) the Owner becomes bankrupt or makes a general assignment for the benefit of its creditors, or if a receiver of the Owner is appointed, or (c) if the Work is stopped as a result of a court order, then the Contractor may cease work and treat the contract as repudiated forthwith on the occurrence of such default. In such event, an accounting shall be made between the Owner and the Contractor, and the Contractor shall be entitled to payment for such parts of the Work as are completed at the time of default.

**14. Default by Contractor**

In the event that (a) the Contractor does not perform the Work in accordance with the terms of this Contract and has not corrected the default within 7 days of written notice by the Owner, or (b) the Contractor becomes bankrupt or makes a general assignment for the benefit of its creditors, or if a receiver of the Contractor is appointed, then the Owner may finish the Work in accordance with the plans and specifications as the Owner may deem expedient, but without undue delay or expense.

In such event, the Contractor shall not be entitled to any further payment under this Contract, but upon completion of the Work, an accounting shall be made between the Owner and the Contractor. If the unpaid balance on the Contract Price shall exceed the expense of finishing the Work, the Owner shall pay the Contractor for such parts of the work as were payable or completed at the time of the default. However, if such expense shall exceed such unpaid balance, the Contractor shall pay the difference to the Owner.

**15. Signs**

The Owner agrees to permit the Contractor to display a sign on the project site until completion.

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Owner's agreement to terms and conditions

X \_\_\_\_\_ Date: \_\_\_\_\_

Contractor's agreement to terms and conditions

X \_\_\_\_\_ Date: \_\_\_\_\_