



Handwritten initials KH and date 5th October with blue ink scribbles.

THIS Contract for the Construction of a RTM Office (the "Contract") is made this 18th day of September, 2020 and is between:

THE PURCHASER

and

THE BUILDER

Name(s) Town of Coaldale

Name Destiny Homes Inc.

1920 17th St.
(Address)

An Alberta Corporation, having an office at:
1112 - 14th Ave., Box 928

Coaldale, Alberta T1M 1M1
(City) (Province) (Postal Code)

Coaldale, Alberta T1M1M8
(City) (Province) (Postal Code)

Telephone: 403 345 1300

Telephone: 403 345 4430

Email: cao@coaldale.ca

Emarene@destinyhomesinc.ca

GST REGISTRATION NO.: 899392492

THE PROPERTY - the Purchaser is the registered owner or is entitled to become the registered owner of the following land:

LOT: 2

BLOCK: 30

PLAN: 1711682

MUNICIPAL ADDRESS:

LEGAL ADDRESS: _____
(the "Land")

THE TRANSACTION - the Builder agrees to construct the RTM Office and the Purchaser agrees to pay the Builder for the construction of the RTM Office in accordance with, and subject to, the terms described in this Contract

- 1. DESCRIPTION OF WORK. The Builder shall build a RTM Office (the "RTM Office") by supplying all of the materials and performing all of the work in accordance with the floor plan and general specifications, attached to this Contract appended as Schedule "A" as well as this Contract, herein collectively referred to as "Contract Documents", at the location described above.

The Contract Documents together form the contract for the work to be performed. The Parties intend that the documents include provisions for all labor, materials and equipment necessary for

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the execution and completion of the work and all terms and conditions of payment. The documents also include all work and procedures not expressly indicated herein but which are necessary for proper execution of this project.

2. **FIXED PRICE CONTRACT.** The Purchaser agrees and understands construction of the RTM Office shall be completed utilizing a fixed price contract. The contract price, to be paid by the Purchaser to the Builder, for the construction of the RTM Office shall be the sum of [redacted] which sum shall be determined as outlined below. Extras referred to in clause 6 shall be in addition to the Fixed Price.

Price of RTM Office	<u>\$183,701.23</u>
Add: Goods and Service Tax	<u>\$9,185.06</u>
TOTAL PRICE ("Total Price")	<u>\$192,886.29</u>

↓
192,886.29
KB MW

3. **METHOD AND TERMS OF PAYMENT.** The Purchaser agrees to pay to the Builder the Total Price with interest at a rate of 24% per annum on any part of the Total Price which is not paid when due. Further the Purchaser shall make progress payments to the Builder on the Total Price, on the basis of completion of the work and at the intervals as follows:

\$21,000.00	Deposit payment upon signing this Contract
\$105,000.00	On the substantial completion and inspection of (or applicable date) Framing.
\$66,886.29	Being the balance of the price and interest, if any, on the completion and/or possession of the RTM Office, whichever occurs first.
<u>\$192,886.29</u>	TOTAL PRICE (equals clause 3)

4. **SUMS OWING AND LATE FEES.** The Purchaser agrees to pay the Builder all sums owing and invoiced within five (5) business days of the date the invoice is received by the Purchaser. If there is any delay in payment by the Purchaser for any reason which causes financial charges or late charges or fees to be assessed against the Builder by his suppliers or sub-contractors, then it is further understood and agreed that the Purchaser shall pay those additional financial late charges and fees, plus an annual percentage of 24% on all unpaid billing over thirty (30) days.

5. **EXTRAS, DELETIONS OR SUBSTITUTIONS.** Any additions, removals, corrections, variations, substitutions or price changes to the RTM Office referred to in clause 3 shall only be done by written change order(s) signed by the Builder and the Purchaser in a form attached to this Contract as Schedule "B" and shall be a payment owed in addition to the Total Price. If payment, including GST, for the changes is not received within the specified time the Builder, at its option, may complete construction according to the original terms of this Contract, and shall be at liberty to disregard any change orders, which has not been paid for. The Purchaser understands and acknowledges that the Builder shall use best efforts to complete any Change Order's. If selected materials and components for the RTM Office are not available within reasonable time limits of the Builder's construction schedule, the Builder shall advise the Purchaser. In such instance and if requested by the Builder, the Purchaser shall make an alternate selection from other materials or components offered by the Builder. Should the Purchaser fail to make such selection, the Builder reserves the right and may make alternate selections of equal quality which shall be final

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and binding on the Purchaser. The GST rebate shall be adjusted as required for extras, deletions or substitutions. The Purchaser acknowledges change orders will affect the timing of construction and may cause delay to which the Builder shall not be responsible.

6. **STARTING AND COMPLETING DATES.** Construction under this Contract, providing all necessary permits to move ahead are received, is anticipated to commence and be substantially complete approximately 6 months after the issuance of the Building Permit. For greater clarity the Builder will use best efforts to have the RTM Office substantially complete on approximately the 15th day of January 2021. The Builder does not guarantee the completion and possession of the RTM Office by the targeted date and shall not be responsible in the event delays occur for which the Builder may not be responsible, including any delays by the Purchaser, or delays caused by unfavourable weather, strikes, fires, shortages of material or labour, acts of God or any other causes beyond the control of the Builder.
7. **SUSPENSION OF WORK BY BUILDER.** If, the Purchaser does not pay to the Builder any amounts due and owing within any timelines specified, then the Builder at their sole discretion may upon ten (10) days written notice to the Purchaser, cease work and may implement any remedies as set out further in clause 22.
8. **INSPECTION AND POSSESSION OF THE PREMISES.** The Builder shall provide a notice in writing to the Purchaser at least 30 days in advance, advising that on a date to be specified in the notice, the RTM Office will be ready for possession (the "Possession Date") and that an inspection shall take place on the date specified. The Purchaser shall make an inspection of the RTM Office on the date specified together with the Builder at which time any deficiencies or defects shall be noted in writing on a Certificate of Possession (or similar document). The Purchaser shall take possession forthwith and the taking of possession will be deemed to conclusively prove the RTM Office is complete and in full compliance with this Contract, except as to matters noted on the Certificate of Possession at the time of inspection.
9. **ADJUSTMENTS.** Prior to the Possession Date, the Builder shall deliver normal closing documents to the Purchaser or the Purchaser's lawyer upon reasonable conditions consistent with the terms of this Contract. Items which are normally adjusted for, such as real estate property taxes, amortized local improvement levies, mortgage interest and RTM Office owner association fees, and all payables thereafter will be assumed by the Purchaser and will be adjusted as of 12:00 noon on the Possession Date. All payables prior to the Possession Date shall be paid by the Builder unless otherwise stated in this Contract. It is agreed the Purchaser shall pay for the following: Lot/Land, any work not performed by Destiny Homes Inc.
10. **POSSESSION OF PREMISES.** The Purchaser agrees the RTM Office shall not be possessed and/or occupied by the Purchaser until an inspection is completed, and until the Total Price and all other monies payable to the Builder under this Contract have been received by the Builder or its solicitor, without condition. The parties agree this remains in effect even where the Purchaser is or becomes the registered owner of the Land.
11. **HOLDBACK.** No unilateral holdback shall be made by the Purchaser on payments and any holdbacks must be agreed to in writing. Any holdbacks under the *Builder's Lien Act* or for seasonal or other matters shall be done by written consent between the parties outlining what holdbacks shall be held and upon what terms and conditions such holdbacks may be released to the Builder by its solicitor. Any agreed to holdbacks shall be held by the Builder's solicitor. Upon meeting the trust terms agreed to, any holdbacks may be unconditionally released to the Builder by its solicitor.
12. **RESPONSIBILITIES OF THE BUILDER.** The Builder agrees to construct the RTM Office diligently and in a good and workmanlike manner, in accordance with quality residential standards and performance standards as set by the Government of Alberta from time to time. The Builder shall comply with the Alberta Building Code in effect at the date of the issuance of the building

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permit, and all municipal building, plumbing, electrical and heating inspections, as well as all other relevant and applicable building codes or authorities having jurisdiction over the construction project.

The Builder shall take reasonable precautions for the safety of all work employees and other persons whom the work might affect, all work and materials incorporated in the project, and all property and improvements on the construction site and adjacent thereto complying with all applicable laws, ordinances, rules, and regulations and orders as they come available. The Builder shall be solely responsible for the cost to remedy any defective work, noted at the Possession Date and in accordance with any warranty provisions. Upon notice, the Builder shall use his commercially reasonable efforts to remedy any defective work within sixty (90) days of receipt of the notice, and shall provide written confirmation of such repairs to the Purchaser.

13. **RESPONSIBILITIES OF THE PURCHASER.** The Purchaser shall give all instructions to the Builder in a timely fashion and by the dates requested by the Builder. Also, the Purchaser must make any requests for design changes, material changes, etc. in writing, via email or such other specified method in writing to the Builder. The Purchaser shall furnish any documentation of choices made, independent purchases (only at the written consent of the Builder), or any other related information at the Builder's request in a timely fashion. If the Purchaser occupies the RTM Office prior to completion, or after completion, without having completed an inspection, having noted any defects or deficiencies under the Certificate of Inspection (or similar document), or without full payment of the Total Price with adjustments to the Builder under the terms of this Contract, the Purchaser shall be deemed to have accepted the RTM Office as is and shall be deemed to waive all rights to object to or complain about any defects in workmanship, materials or construction of any kind, and all warranties of any kind.
14. The Purchaser understands and acknowledges that the construction site is potentially hazardous and that any visits to the site are at their own risk. The Purchaser shall not interfere with the Builder's performance of the construction work. The Builder shall not be liable or responsible in any way with respect to any loss, injury or damage to person or property suffered by the Purchaser or any family members, visitors, invitees or licensees of the Purchaser whatsoever suffered by them by and access to the Land or RTM Office resulting from any cause whatsoever during any visits or site inspections prior to possession being delivered by the Builder. The Purchaser agrees that they and all invitees shall comply with all occupational health and safety rules and shall utilize any safety equipment required by law or by the Builder, including wearing hardhats. No person under 18 years of age shall be allowed on site. The Builder reserves the right to deny access to visitors. Entrance to the site for inspection or visits by the Purchaser on any invitee or license shall be by at the permission of the Builder, at its discretion, on request of the Purchaser.
15. **INSURANCE.** The Builder agrees to maintain general liability and workman's compensation insurance during the term of the Contract. The Builder agrees to maintain appropriate liability, property, fire, damage, theft insurance for the RTM Office during the term of this Contract and any period up to and including the completion of the construction of the RTM Office. Once the RTM Office is placed on the foundation the Purchaser agrees to have full insurance on the RTM Office.
16. **CONDITIONS.**

Conditions in favour of the Purchaser: This Contract is subject to the following condition(s) in favour of the Purchaser, all of which, may, unless otherwise indicated, be unilaterally waived by the Purchaser by written notice to the Builder on or before the expiry date for the satisfaction of the condition(s). All Purchaser's conditions are solely in favour of the Purchaser.

* No Conditions

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Conditions in favour of the Builder: This Contract is subject to the following condition(s) in favour of the Builder, all of which, may, unless otherwise indicated, be unilaterally waived by the Builder by written notice to the Purchaser on or before the expiry date for the satisfaction of the condition(s). All Builders conditions are solely in favour of the Builder.

* No Conditions

Failure to Meet or Waive Conditions: If either the Purchaser's Condition(s) or the Builder's Condition(s) are not met or waived on or before the condition date, then this Contract shall be deemed to be null and void, and failing express written Contract otherwise, all deposit monies paid by the Purchaser shall be forthwith returned to the Purchaser. The parties agree the Purchaser shall be responsible for the following costs: N/A

17. DEFAULT AND/OR TERMINATION.

Default of the Purchaser: If payment of any of the amounts herein agreed to be paid to the Builder are not made, or in the event the Purchaser is in default of the covenants in this Contract, the Builder may, at its option provide seven (7) days written notice to the Purchaser requiring them to cure the default. Should the Purchaser fail to cure the default in the time specified, the Builder shall be entitled to immediately cease work and treat the Contract as terminated. On such, the Builder shall be entitled to recover from the Purchaser payment for all work completed plus damages, including any loss sustained by it for materials, equipment, tools or machinery to the extent of actual loss sustained by it for materials, equipment, tools or machinery to the extent of actual loss thereon, plus loss of reasonable profit and any interest related. All deposits shall be forfeit and the Purchaser shall have no right to reclaim any monies paid to the Builder under this Contract and the same may be retained by the Builder as liquidated damages without limiting the Builder's claim for damages as previously stated.

In the event of such default, the Builder may elect not to terminate the Contract, but in the event the Builder elects not to terminate, such election shall not act as waiver of its right to terminate the Contract on any future breach of this Contract in accordance with the terms of this Section.

Default of the Builder: If the Builder fails to execute the work in accordance with the terms of this Contract and the Contract Documents, or default in performance of any provision herein or any provisions of the Contract Documents, or fails to make timely payment to subcontractors or suppliers, or if Builders' liens are registered against the Land, or if the Builder should become insolvent or bankrupt, make a general assignment for the benefit of creditors, or if a receiver should be appointed, the Purchaser may, at their option provide seven (7) days written notice to the Builder requiring it to cure the default.

Where the Purchaser is entitled to terminate, the Purchaser may elect not to terminate the Contract, but in the event the Purchaser elects not to terminate, such election shall not act as waiver of its right to terminate the Contract on any future breach of this Contract in accordance with the terms of this Section.

18. CANCELLATION. The Builder and Purchaser agree that should the Builder not be able to commence construction with a period of (60) days from the date of this Agreement due to causes beyond the Builder's control, such as, inability to obtain necessary permits, inability of a developer to convey title, failure of the Purchaser to qualify for a mortgage or failure to comply with provincial or municipal statutes, then the Builder may cancel this Agreement on written notice to the Purchaser. The Builder's liability to the Purchaser shall be limited to the refund of any monies paid by the Purchaser to the Builder after deducting any reasonable and necessary expenses incurred by the Builder prior to cancellation.

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19. **DISPUTE RESOLUTION.** The parties agree to attempt a peaceful resolution to all disputes. The parties agree any dispute arising from this Contract or any dispute either may have with the other shall be submitted to mediation.
20. **NOTICE.** Any notices required to be given under this Contract shall be given to either the Builder or the Purchaser in writing, e-mailed to or delivered to the other at the address shown in this Contract.
21. **ACCEPTANCE BY PURCHASER.** The payment of progress payments by the Purchaser shall be construed as an absolute acceptance of the work done up to the time of such payments, except as to such matters that are open and obvious, but the entire work is to be subject to inspection and approval of the Purchaser as to defects not obvious upon inspection during the progress of the work, at the time when it shall be claimed by Builder that the Contract and the work are completed.
22. **LEGAL FEES.** In the event that any action is filed in relation to this Contract, the unsuccessful party in the action shall pay to the successful party, in addition to all sums that either party may be called on to pay, the reasonable sum for the successful party's legal fees and costs on a solicitor client basis.
23. **GOVERNING LAW.** It is agreed that this Contract shall be governed by, construed and enforced in accordance with the laws of the Province of Alberta.
24. **TIME OF ESSENCE.** All time stated herein or in the Contract Documents is of the essence.
25. **INTERPRETATION.** All words in this Contract may be read and construed in the plural number or the singular if there be more than one Purchaser named and in such case, this Contract shall be deemed to bind the Purchaser individually, as well as, severally and jointly and also the masculine gender shall be construed to include the feminine or a body corporate where the context of this Contract so requires. The Builder and the Purchaser are collectively called the Parties".
26. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement between the Parties. Any modification of this Contract or additional obligation assumed by either party in connection with this Contract shall be binding only if evidenced in writing signed by each party or an authorized representative for each party.
27. **NO ASSIGNMENT.** No assignment of this Contract shall be valid by either the Purchaser or the Builder without the written consent of the other.
28. **BINDING EFFECT.** This Contract shall ensure to the benefit of and be binding upon the Parties and their respective heirs, administrators, executors, successors and assigns.
29. **PHOTO RELEASE.** The Purchaser grants Destiny Homes Inc. and its representatives and employees the right to take photographs of the exterior and interior of my property which they constructed. The Purchaser authorizes Destiny Homes Inc. its assigns and transferees to copyright, use and publish the same in print and/or electronically. The Purchaser agrees that Destiny Homes Inc. may use such photographs with or without my name and for any lawful purpose, including for example such purposes as publicity, illustration, advertising, and Web content.
30. **PURCHASERS ACKNOWLEDGEMENT.** The Purchaser acknowledges that they have read and understand the Contract and the terms, conditions, limits and exclusions that are contained in this Contract. This Contract contains binding legal obligations. The Purchaser is encouraged to obtain legal advice before signing.

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The Purchaser and the Builder have signed this Contract effective as of the date on page 1.

SIGNED BY THE PURCHASER(S):

Purchaser Town of Coaldale

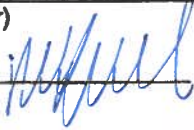
Purchaser signature



SIGNED BY THE BUILDER

Rene van de Vendel – Destiny Homes Inc.
(Name of Builder)

PER: _____



Schedule "A" – Description of Work

As per the following documents

- 1) Quote
- 2) Specifications
- 3) Blueprints
- 4) Contract Calculator

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