

# **TERMS AND CONDITIONS**

# Buildforth Construction Corp.

#### **TERMS AND ACCEPTANCE**

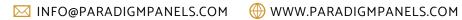
- 1.1 These Terms and Conditions apply for all Purchase Orders issued by Buildforth Construction Corp. ("Buildforth").
- 1.2 "Vendor" refers to the Subcontractor and/or material supplier.
- 1.3 This Purchase Order becomes a binding contract (the "Contract"):
  - When an executed acknowledgement copy hereof is received by Buildforth; or 1.3.1
  - When shipment according to schedule of all or any portion of the goods or services covered by 1.3.2 this Purchase Order shall be made; or
  - 1.3.3 When Buildforth gives Vendor written approval of the price and service and/or delivery schedule of the goods as stated by Vendor if Vendor's written acknowledgement of this Purchase Order contains either:
    - A different price or delivery schedule or a different type of item; or 1.3.3.1
    - No price or no delivery schedule for the item or items to which Buildforth approval 1.3.3.2 applies. Except as provided in the preceding sentence, it is an express condition of this Purchase Order and to Vendor's obligation to perform hereunder that any provisions printed or otherwise contained in any acknowledgement hereof or in any other response hereto, inconsistent with or in addition to the terms and conditions herein stated, any alteration in this Purchase Order, shall have no force or effect, and that Vendor by such acknowledgement or response thereby agrees that any such provisions therein or any such alterations in this Purchase Order shall not constitute any part of the Contract of purchase and sales created hereby. The Contract resulting from Vendor's acceptance of this Purchase Order contains the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or of any other rights hereunder.

#### PAYMENT TERMS

2.1 Buildforth shall pay all amounts owing to the Vendor, together with such taxes as may be applicable to such payment, as follows:













- 2.1.1 Monthly progress draws, in arrears within thirty (30) days from the date the Vendor's invoice is delivered to Buildforth, for that portion of the Work performed in the previous month subject to any applicable holdback required by builders lien legislation. If Buildforth has not been paid by its client for Work performed by the Vendor, Buildforth may, upon providing written notice to the Vendor, unilaterally extend the due dates for any payment owing to the Vendor for up to three months.
- 2.1.2 Upon substantial completion of the Work, the unpaid balance of any additional amounts owing pursuant to this Contract (including for Changes); and
- 2.1.3 Upon the end of any builders lien holdback period applicable to the Work, the unpaid balance of the holdback amount.
- 2.2 Payments will only be issued if the Vendor has executed this Contract and provided bank account information for electronic funds transfer.
- 2.3 Invoices related to this Contract shall be directed to <a href="mailto:accounting@buildforth.com">accounting@buildforth.com</a> and include the project name and Purchase Order number for processing. The Vendor shall provide Buildforth with the records and documents supporting the invoice, if requested.
- 2.4 Unless otherwise noted, the prices and payments shall be in Canadian Dollars.
- 2.5 Buildforth may request that a Statutory Declaration declaring that the Vendor has paid all material suppliers, workers, subcontractors, and vendors engaged in connection with the Work is submitted with the Vendor's final invoice. No further payment will be made to the Vendor until such declaration is provided.
- 2.6 All invoices must categorize the work performed in the Schedule of Values (SOV) provided in this Contract.
- 2.7 No payment by Buildforth nor use of the Work by the client shall constitute an acceptance of any portion of the Work which is not in accordance with the requirements of specifications and drawings stipulated in the Contract.
- 2.8 Buildforth shall not be required to pay a deposit unless specifically agreed to, and in such case, any deposit will be paid within seven (7) days after both Effective Date and Buildforth being provided an invoice from the Vendor.
- 2.9 The Vendor acknowledges that a holdback will be retained from each invoice in accordance with applicable builders lien legislation. If a claim of lien is filed against the Project by someone engaged by the Vendor, the Vendor shall discharge the claim of lien within ten (10) days of having received written notice from Buildforth, failing which Buildforth may discharge the claim of lien and back charge its actual legal and inhouse costs of discharging the claim of lien, plus ten percent (10%), to the Vendor.











# **SUBCONTRACTS**

3.1 The Vendor shall not retain Subcontractors to perform any portion of the Scope of Work except with the prior written approval of Buildforth.

## SCHEDULING AND RESOURCING REQUIREMENTS

Applicable if Vendor supplies Goods:

4.1 Time is of the essence for the delivery date of all goods to be supplied by the Vendor under this Purchase Order. If goods are not delivered by the deadline specified, Buildforth may reject such goods and cancel this Purchase Order. The acceptance of later or defective deliveries shall not be deemed a waiver by Buildforth of its right to cancel this Purchase Order, or to refuse to accept further deliveries.

Applicable if Vendor supplies services:

- 4.2 The Vendor shall supply appropriate site leadership and supervision to oversee all direct Vendor manpower for the Scope of Work, which personnel, and support, Buildforth site Construction Management on a day-today basis.
- 4.3 The Vendor shall provide adequate labour (with supporting cross shifts if required) and material as required to meet the Schedule regardless of whether the work is during or outside normal business hours, at no additional cost to Buildforth.
- 4.4 The start for construction of this project is anticipated as per the milestone dates and construction schedule (provided upon request). The overall construction schedule will be subject to revisions from time to time at the sole discretion of Buildforth, and no extras will be allowed due to changes in the project schedule unless previously approved by Buildforth.
- 4.5 The Vendor shall supply Scope of Work specific schedule (the "Detailed Work Schedule"), which shall align with the Milestone Dates, and include a Scope of Work start date, a Scope of Work completion date, a breakdown per task and building level/area, and the number of personnel assigned to the Project from start to completion. This schedule is to be submitted no later than fourteen (14) days after the signing of this Contract.
- 4.6 Notice of Delays. The Vendor shall monitor the progress of the Scope of Work relative to the Schedule and Detailed Work Schedule and promptly inform Buildforth if the Vendor is or anticipates being delayed and the reason for such delay. The Vendor will endeavor to mitigate delays and proceed with the Work.
- 4.7 Delay within Vendor Control. If the performance of the Work is delayed because of matters that are within the Vendor's control, or if the Vendor causes delay to the performance of other portions of the Project:
  - The Vendor shall, within three (3) days of Buildforth requesting it, submit to Buildforth an 4.7.1 update to the Detailed Work Schedule outlining a recovery plan;

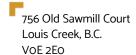












- Buildforth shall have the right to direct the Vendor to accelerate the performance of the Work, 4.7.2 with the Vendor bearing all increased and overtime costs arising from the acceleration;
- Buildforth may deploy its internal personnel or other contractors to assist with the performance 4.7.3 of the Work, with the costs of such deployment back charged to the Vendor at cost plus a fifteen percent (15%) markup; and
- The Vendor shall indemnify Buildforth and any other affected party from additional costs 4.7.4 incurred because of the Vendor's delay.
- 4.8 Delays outside Vendor Control. The completion date for the Work shall be extended if the Vendor is delayed in performing the Work by:
  - 4.8.1 Any act or omission of Buildforth;
  - 4.8.2 Changes to the Scope of the Work or the Contract Documents;
  - Labour disputes, fire, unusual transportation or supplier delays, adverse weather conditions not 4.8.3 reasonably foreseeable, restrictions or delays imposed by municipal, provincial, or federal authorities, or
  - 4.8.4 Any other circumstances or delay beyond the Vendor's control.

In such circumstances, the Vendor will be afforded a reasonable extension that is at least equal to the length of the delay suffered in order to complete the Scope of Work.

## **NON-CONFORMING GOODS**

5.1 All goods (1) not in compliance with the specifications of the Purchase Order, (2) shipped contrary to instructions, or in excess of the quantities specified in the Purchase Order, or (3) substituted for goods described may be rejected by Buildforth and returned or held at Vendor's expenses and risk. Buildforth may charge to Seller all expense of inspecting, unpacking, examining, repacking, storing, and reshipping any goods rejected for such reasons, without prejudice to any other remedies available to Buildforth. The Vendor is liable for and shall indemnify Buildforth for any and all costs, losses, or damages arising from any non-conforming goods.

#### 6. CONTROL

- 6.1 Except as otherwise provided in this Contract, the Vendor shall have the sole responsibility and total control of the Work and shall effectively direct and supervise the Work to ensure conformity with the Contract Documents.
- 6.2 The Vendor shall be solely responsible for construction means, methods, techniques, sequences, and procedures for the Work.







6.3 Buildforth and the Vendor will cooperate to coordinate the Work to minimize impact on the activities and work of Buildforth and other contractors.

# 7. SAFETY REQUIREMENTS

- 7.1 The Vendor shall maintain suitable workers' compensation coverage throughout performance of the Scope of Work. The Vendor shall provide its workers' compensation registration number to Buildforth prior to commencing work on site. Reviews of coverage are performed by Buildforth in every payment run to ensure suppliers are in good standing. If a Vendor does not have sufficient coverage, all payments will be deferred until the next payment cycle or until the Vendor is brought into good standing. Nothing in this section transfers the Subcontractor's legal responsibility for workers compensation coverage or worker injuries to Buildforth.
- 7.2 The Vendor shall ensure all its personnel have valid and current safety certifications and training that are necessary for performance of the Scope of Work. This includes, but is not limited to, fall protection, confined space, or WHMIS as applicable. Buildforth reserves the right to request proof of training prior to or during site activities.
- 7.3 The Vendor shall provide Buildforth with its companies Safety Manual (if applicable). If the Vendor does not have a Safety Manual in place, they will be required to sign off on the Buildforth Safety Manual.
- 7.4 The Vendor shall provide Buildforth with its Site-specific safe work procedures. As an example, if the Vendor will be working at heights, a site-specific fall protection plan must be provided.
- 7.5 All Vendor personnel will be required to sign in and sign out of the Project site daily.
- 7.6 The Vendor shall complete Field Level Hazard Assessments (FLHA's) as required and submit them to Buildforth. Buildforth's FLHA's can be provided upon request. The Vendor shall also ensure all personnel working on the Project attend and sign in at daily toolbox meetings.
- 7.7 All Vendors must comply with Buildforth's site specific requirements including but not limited to wearing applicable Personal Protective Equipment.

## **CHANGE ORDERS**

- 8.1 The Vendor may request changes to the Scope of Work through a written change order request, which shall include a description of the requested change as well as any proposed adjustment to the Fee and the Detailed Work Schedule.
- 8.2 The Vendor shall promptly evaluate and respond to change order requests issued by Buildforth, providing an assessment of any resulting impact on the project, including adjustments to the Fee and Detailed Schedule.

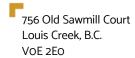












- 8.3 Buildforth shall have the right, without invalidating this Contract, to require Changes to the Work by providing written direction to the Vendor. The Vendor shall not undertake any requested changes until formally requested in writing by Buildforth.
- 8.4 Any Change work completed on a time and materials basis, as requested and approved by Buildforth, will be performed on the following terms:
  - The Vendor shall prepare labour, equipment, and materials sheets ("LEM Sheets") for each day 8.4.1 the Vendor performs work on a Change, which detail and include:
    - 8.4.1.1 The name of all personnel working on a time and materials basis;
    - 8.4.1.2 The hours worked, start time, and end time for each person;
    - 8.4.1.3 A brief description of the work performed by each person.
  - 8.4.2 LEM Sheets shall be signed by the Vendor's Superintendent and submitted to Buildforth's Project Manager by email each day and no later than twenty-four (24) hours after the Change work is performed (unless otherwise discussed with the Buildforth Project Manager).
  - 8.4.3 Each Vendor personnel shall also sign in and out on Buildforth's timesheets located on the Project site on every day they perform Change work. These will be used to cross reference and validate submitted LEM Sheets.
  - A weekly summary of LEM Sheet shall be submitted to Buildforth's Project Manager no later 8.4.4 than 4:00PM on Friday of the week in which the Change work is performed.
  - The Vendor will bill Buildforth as follows: 8.4.5
    - 8.4.5.1 Labour at the Vendor's charge-out rates then in force, billed in fifteen-minute increments, plus GST;
    - 8.4.5.2 The actual cost to the Vendor, including Provincial Sales Tax ("PST") and excluding GST paid, of the following expenses plus ten percent (10%):
      - 8.4.5.2.1 Materials bought and provided by the Vendor;
      - 8.4.5.2.2 Rental of specialty tools and equipment; and
      - 8.4.5.2.3 Subcontractors.
  - If an upset limit/drawdown value has been provided by the Buildforth Project Manager prior to 8.4.6 commencing work, the Vendor must immediately notify the Buildforth Project Manager once they have reached seventy-five percent (75%) of the drawdown value. They must also provide a summary of physical work completed as a comparison.

If the above noted process is not followed, time and material charges will not be accepted. No work to proceed on a time and material basis without prior approval from Buildforth.











## **BACKCHARGES**

9.1 If Buildforth completes or is forced to complete any item within the Scope of Work that is not completed or insufficiently completed by the Vendor, the costs of completion (both direct and indirect) will be back charged to the Vendor at Buildforth's cost plus a fifteen percent (15%) markup.

## 10. WARRANTY

- 10.1 The Vendor shall provide one (1) year warranty on all workmanship and materials used in the Project, starting from the date of the Project Occupancy.
- 10.2 Goods delivered (whether paid for or not) are subject to inspection, testing, and approval from Buildforth before acceptance. Vendor expressly warrants that all articles, materials, and work will conform to the Contract Documents, specifications, samples, or other descriptions given in all respects, and that the goods delivered hereunder will be of the highest quality, material, and workmanship, and will be merchantable and free from defects. This warranty shall survive any inspection, delivery, acceptance, or payment by Buildforth of the goods or services.
- 10.3 All materials, workmanship and construction methods to be performed by the Vendor pursuant to this Contract shall be performed in a good and workmanlike manner and shall be in conformity with the requirements of the terms of this Contract and the most current Building Code.
- 10.4 The Vendor shall promptly rectify any defects or deficiencies in the Work that arise within the warranty period. The Vendor shall enforce the warranty obligations of its Vendors and suppliers and shall require them to promptly correct at no additional cost any defects in the Work or Materials that appear before and during the Warranty Period and any damage resulting from the corrective work.

## 11. INSURANCE AND INDEMNITY

- 11.1 Protection of Persons and Property.
  - 11.1.1 The Vendor shall comply with Buildforth's rules for construction safety on the Project and the rules, regulations, and practices required by the applicable construction health and safety legislation.
  - If either party should suffer damage in any manner because of any wrongful act or neglect of 11.1.2 the other party or of anyone for whom the other party is responsible in law, then that party shall be reimbursed by the other party for such damage. The reimbursing party shall be subrogated to the rights of the other party in respect of such wrongful act or neglect if it be that of a third party.
  - The Vendor shall be responsible for the negligent acts of its Vendors and employees. 11.1.3













- 11.2 Workers' Compensation. The Vendor shall comply with applicable Worker's Compensation legislation at each Project. If requested by Buildforth, the Vendor shall provide evidence of compliance with Worker's Compensation legislation, including proof of payments due thereunder. The Vendor shall cause all Vendors to comply with Worker's Compensation legislation at each Project and provide evidence of compliance, failing which the Vendor shall include such Vendors in the Vendor's coverage.
- 11.3 Vendor Insurance. The Vendor shall carry, and represents and warrants that it does carry, third-party liability insurance with a combined single limit of at least \$2,000,000.00 which covers bodily injury and property damage. The Vendor shall ensure that Buildforth is a named insured on any third-party liability policy carried by the Vendor. The Vendor shall provide a copy of the policy to Buildforth upon request.
- 11.4 Vendor Indemnity. The Vendor agrees to indemnify and save harmless Buildforth in respect of all claims for bodily injury or death, property damage, or other loss or damage arising from any act or omission of the Vendor or any assignee, subtenant, agent, employee, contractor, invitee, or licensee of the Vendor, and in respect of all costs, expenses, and liabilities incurred by Buildforth in connection with or arising out of all such claims, including the expenses of any action or proceeding pertaining to them, and in respect of any loss, costs, expense, or damage suffered or incurred by Buildforth arising from any breach by the Vendor of any of its covenants and obligations under this Contract. This indemnity will survive the expiry or termination of this Contract.

#### 12. TERMINATION

- 12.1 The Contract may be terminated in the following circumstances:
  - If either party should be adjudged bankrupt or make a general assignment for the benefit of 12.1.1 creditors because of insolvency, or if a receiver is appointed, the other party may, without prejudice to any other right or remedy they may have, give the insolvent party or receiver or trustee in bankruptcy notice in writing to terminate this Contract. In such case, the Vendor shall be paid for Work completed up to the effective date of termination; or
  - 12.1.2 If the Vendor should neglect to prosecute the Work properly or otherwise fail to comply with the requirements of this Contract to a substantial degree, Buildforth may, without prejudice to any other right or remedy Buildforth may have, notify the Vendor in writing that the Vendor is in default of the Vendor's contractual obligations and instruct the Vendor to correct the default in the five (5) working days immediately following the receipt of such notice. If the Vendor fails to correct the default in the time specified or subsequently agreed upon, without prejudice to any other right or remedy Buildforth may have, Buildforth may terminate the Vendor's right to continue with the Work in whole or in part or terminate this Contract. In such case, the Vendor shall be paid for Work completed up to the effective date of termination.











12.2 In the event this Contract is terminated for any reason, the Vendor shall promptly repay to Buildforth any Deposit amounts provided by Buildforth to the Vendor more than the amount it is owed for Work completed up to the effective date of termination.

#### 13. DISPUTE RESOLUTION

- 13.1 Despite anything contained in this Contract to the contrary, in the event that a dispute or difference arises with respect to this Contract that cannot be resolved by negotiation between the parties and the parties agree that they do not wish to terminate this Contract, then in such event, the parties agree to use the services of a single, experienced, qualified mediator to attempt to resolve their dispute or difference.
- 13.2 If the parties fail to reach a resolution by mediation or negotiation, their dispute will be finally resolved by arbitration administered by a single arbitrator under the Arbitration Act (British Columbia). The award rendered by the arbitrator shall be final and binding on all parties. The seat of arbitration will be Kamloops, British Columbia.

## 14. ENTIRE AGREEMENT

14.1 This Contract represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior discussions, representations, or agreements, whether written or oral.

## 15. ENUREMENT

15.1 All the terms and provisions in this Contract shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

# 16. AMENDMENT

16.1 This Contract may be supplemented, amended, restated, or replaced only by written agreement signed by each Party.

## 17. ASSIGNMENT

17.1 Neither party may assign any of its rights or obligations under this Contract without the prior written consent of the other party. A change of control of the Vendor is an assignment for which Buildforth's consent is required.









## 18. SEVERABILITY

18.1 If, in any jurisdiction, any provision of this Contract or its application to any Party or circumstance is restricted, prohibited or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Contract, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

#### 19. CONFIDENTIALITY

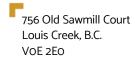
- 19.1 Buildforth and the Vendor acknowledge and agree that during the term of this Contract and thereafter, all information related to the business affairs, operations, or strategies of either party that is disclosed to the other party or that comes into the other party's possession under or in connection with this Contract shall be considered and treated as confidential information ("Confidential Information"). Confidential Information shall not include information that (a) is or becomes publicly known through no wrongful act of the receiving party, (b) is received from a third party without breach of an obligation of confidentiality, (c) was independently developed by the receiving party without access to Confidential Information, or (d) is required to be disclosed by law or court order, provided that the disclosing party is given reasonable notice of such requirement and an opportunity to contest such disclosure.
- 19.2 Each party agrees to (i) keep Confidential Information in strict confidence and not to disclose it to any third party without the prior written consent of the disclosing party, (ii) use Confidential Information solely for the purposes of performing its obligations or exercising its rights under this Contract, and (iii) protect the confidentiality of the Confidential Information with the same degree of care with which it protects its own confidential information of like kind, but in no event with less than reasonable care.
- 19.3 Upon termination or expiration of this Contract, or upon the disclosing party's written request, the receiving party shall promptly return or destroy all materials containing, reflecting, incorporating, or based on the disclosing party's Confidential Information, except for copies that are required to be retained by law or regulation or for internal compliance purposes. The receiving party shall certify in writing to the disclosing party that it has complied with the obligations set forth in this paragraph.
- 19.4 The obligations set forth in this section shall survive the termination or expiration of this Contract for a period of five (5) years.
- 19.5 Nothing in this Contract shall be construed to grant either party any right, title, or interest in or to the Confidential Information of the other party except as expressly provided in this Contract.
- 19.6 The parties acknowledge that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information and that the disclosing party shall be entitled, without waiving any











other rights or remedies, to seek injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

## 20. GOVERNING LAW

20.1This Contract shall be governed by and construed in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable therein.

# 21. FORCE MAJEURE

- 21.1 In this section, "Force Majeure", means any causes beyond the reasonable control of the party affected, such as, but not limited to, acts of God, acts of public enemy, insurrections, riots, strikes, lock-outs, pandemics or epidemics, labour disputes, fires, explosions, floods, breakdowns or damages to plants, equipment, facilities, embargoes, orders or acts of civil or military authority or other causes of a similar nature, but excludes lack of finances;
- 21.2 If, because of the occurrence of a Force Majeure, either party is unable to carry out its obligations under this Contract, and if such party promptly gives the other party written notice of the Force Majeure, then, the contractual obligations of the parties shall be suspended to the extent necessary and during its continuance.
- 21.3 If a Force Majeure is declared, the Vendor shall be paid for the Work performed and Materials supplied up to the effective date of suspension.
- 21.4 If the Force Majeure continues for greater than ninety (90) days, either party may terminate this Contract.



