

AGREEMENT ON SMALL BUILDING WORKS

*This agreement on building works applies to small housebuilding works of short duration (e.g., structural work, electrical installations, plumbing, air conditioning, painting).
In the event of any differences in interpretation of this RT sheet the Finnish version RT 80265 shall take precedence over this translation.*

Project No.

Description of the works

Object of the works

The parties

The developer

The contractor

Decisions to change plans and place orders are made by

The contractor's obligations

The contractor agrees to perform all the works and take all the measures necessary under the agreement on building works and other applicable documents and according to law, purchase the necessary materials and products, and deliver the result of the work completed according to the applicable documents to the developer. The contractor shall perform its work with skill, care and in compliance with good building practice.

The contractor's performance includes drafting instructions for use and service concerning its works.

Site management obligations

The contractor shall be responsible for site management obligations to the extent referred to in the general terms, § 2, of the agreement:

In addition to the contractor's performance, these obligations also concern the following works and purchases:

Site management

Site manager with main responsibility:

Site manager responsible for

works:

Site safety

Person with general responsibility for site safety:

If so requested, the contractor must notify the developer of the names and dates of birth of its own and its subcontractors' workers employed on the site.

On-site services

Responsibility for on-site services is divided according to the table below (*check the appropriate box; D = Developer, C = Contractor. Use the empty space to specify each on-site service in greater detail. If neither box has been checked, this means that neither party is responsible for the service*).

	D	C
Erecting structures (e.g., scaffolding) and making installations during the works, and taking measurements that serve common needs	<input type="checkbox"/>	<input type="checkbox"/>
Making and maintaining passageways and handling general traffic arrangements	<input type="checkbox"/>	<input type="checkbox"/>
Leasing and fencing the area necessary for the works	<input type="checkbox"/>	<input type="checkbox"/>
Guarding the site	<input type="checkbox"/>	<input type="checkbox"/>
Protecting and caring for the building project, the functional elements and building products, and the environment	<input type="checkbox"/>	<input type="checkbox"/>

	D	C
Heating and drying the building project, and general lighting	<input type="checkbox"/>	<input type="checkbox"/>
Arranging on-site waste management, sanitation, cleaning and snow shoveling	<input type="checkbox"/>	<input type="checkbox"/>
Arranging and equipping the storage, office and work space necessary for completion of the works, as well as facilities for the workers	<input type="checkbox"/>	<input type="checkbox"/>
Supplying water and the electricity necessary for lighting and for operating the machinery	<input type="checkbox"/>	<input type="checkbox"/>
Other on-site services agreed on:		
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
Auxiliary building works assigned to the following contractors to the extent agreed on:		
Work/Assigned to:	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
The above mentioned on-site services for the developer have been transferred to:		

Applicable documents:

The building works shall comply with this agreement and all its terms, and with the related applicable documents listed hereinafter.
The applicable documents complement each other, and their order of precedence is laid down in the general terms, § 3, of the agreement.

List of applicable documents

<i>Name of document</i>	<i>p.</i>	<i>Appendix no.</i>	<i>Date</i>
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This agreement on building works			
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The invitation to tender, and any additional accounts given prior to the tender,			
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The schedule of the works,			
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The occupational safety document,			
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The tender,			
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The bills of quantities,			
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		description,	
--	--	--------------	--

		description,	
--	--	--------------	--

		description,	
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Drawings under the agreement:			
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Other documents:			
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The building works shall also be subject to the general standards, working instructions and work descriptions referred to in the above mentioned documents.

The developer's obligation to co-operate

The developer shall provide the contractor with reasonable time to complete the different stages of work. The developer shall fulfill its obligations under the agreement and co-operate otherwise as necessary to ensure that the works are completed within the time specified in the agreement and also otherwise in compliance with the agreement.

Currency

The currency used in this agreement on building works is the euro. The currency agreed on in this clause shall apply to all clauses in this agreement concerning payments in money.

Permissions

The developer shall obtain official permission for building, dismantling and any other operations that are performed on the construction project and are subject to a permission, and shall be liable for the related costs.

The contractor shall be responsible for seeing to it that the inspections of the work performance that must be arranged according to acts or orders of the authorities are carried out. The contractor shall be liable for the costs of the inspections, with the exception of inspections covered by the building permission fee.

Time for performance

The contractor shall have a right to commence building works related to the building project

The works shall commence not later than:

Date of completion of the works:

Unless agreed otherwise,

working days are weekdays from Monday to Friday

Working days are

Liquidated damages

Should the building works be delayed, the developer shall be entitled to liquidated damages paid by the contractor as follows:

With respect to completion of the building works, EUR _____ for each working day, however, not more than EUR _____ for a total of 50 working days.

The following has been agreed with respect to interim objectives:

Unless stated otherwise in this agreement on building works, the liquidated damages shall be 0,1% of the price exempt from value-added tax for each working day, however, for not more than 50 working days.

Period of guarantee

The period of guarantee for the building works is:

Unless stated otherwise in this agreement on building works, the period of guarantee for the building works shall be 24 months calculated from the acceptance of the entire building works.

Security

As security for the fulfillment of its obligations during the building period, the contractor shall give the developer an absolute suretyship granted by a bank or an insurance institution, or other security approved by the developer, to the amount of:

EUR _____

As security for the fulfillment of its obligations during the period of guarantee, the contractor shall give the developer an absolute suretyship granted by a bank or an insurance institution, or other security approved by the developer, to the amount of:

EUR _____

The security also covers additional work and changes. The security for the building period shall remain in force for three months after the approved completion date of the building works, and the security for the period of guarantee for three months after the period of guarantee.

Unless otherwise stated in this agreement, the security for the building period is 10% and the security for the period of guarantee 2% of the price. The security is calculated on the price exempt from value-added tax.

Insurance

Choose alternative 1 or 2

Alternative 1

The contractor takes out in the developer's name a so-called constructor's all risks insurance at a replacement

value subject to exempt from value-added tax

EUR _____

The insurance must cover the following works and purchases:

Alternative 2

The site is covered by a constructor's all risks insurance taken out by

, which insurance also covers the works referred to in this agreement on building works.

The following has also been agreed concerning insurance:

The contractor's operation must be covered by a valid third party insurance.

Price

The price shall distinguish between the price exempt from value-added tax and the value-added tax.

Price exempt from value-added tax: EUR

Value-added tax: EUR

Total: EUR

Payment

Payment program Alternative 1

Choose alternative 1 or 2

The price is paid according to the following payment program:

1st installment EUR , when

2nd installment EUR , when

3rd installment EUR , when

4th installment EUR , when

5th installment EUR , when

Alternative 2

The price is paid according to the payment program enclosed as an appendix.
Appendix no.

The term of payment is 14 days. The interest for delay is the valid interest for delay under the Interest Act (% in). The invoices based on the contract

shall be paid once the invoice has been presented to the developer and it is established that the corresponding work under the agreement has been completed, or once it is established that the invoice is otherwise eligible for payment. The developer's representative shall establish when the work that is the basis for the installment is completed.

Price fixing

The price is fixed and is not index- or currency-linked.

Supplementary / Specific stipulations

Prior to signing the signing the agreement commencing the works

the contractor shall deliver to the developer an extract from the VAT and withholding tax register, as well as a reliable account of the payment of taxes, withholding tax, social security contributions and pension contributions. The developer may notify the county tax office of this agreement on building works using the form drafted by the tax authority.

Disputes

Any disputes concerning this agreement shall be settled primarily through negotiations between the parties. Should no understanding be reached, the disputes shall be left for the decision of the district court of

GENERAL TERMS

§ 1 Obligation to cooperate

The parties shall ensure the reliable and safe performance of the building works through information, agreement and other cooperation, and shall organize and perform their work so that they do not unduly disturb each other's or the other contractors' work or operations on the site. The contractor shall observe the instructions given by the site manager concerning the organization and coordination of work.

§ 2 Site management obligations

Unless otherwise stated in the applicable documents, site management shall include the following obligations:

- a) general site management and, if necessary, appointment of a responsible site manager;
- b) the obligations of the site manager with main responsibility for the work carried out, as referred to in occupational safety legislation;
- c) organization and coordination of on-site works; If no main contractor or other party responsible for site management obligations has been appointed, the developer shall be responsible for these obligations.

§ 3 Order of precedence of the applicable documents

If the applicable documents are contradictory with respect to their content, the order of precedence of the stipulations contained in the different documents shall be the following, unless mentioned otherwise in this agreement:

- a) this agreement on building works;
- b) the invitation to tender, and any written accounts given prior to the tender;
- c) the schedule of the works, or any other conditions referred to in this agreement;
- d) the tender;
- e) the bills of quantities;
- f) the work-specific quality requirements and work descriptions;
- g) the drawings under the agreement;
- h) the general quality requirements and work descriptions.

§ 4 Contractor's time of performance

The building works under the agreement on building works shall be commenced, performed and completed according to the stipulations on time of performance in the agreement or, in the absence of such stipulations, within a reasonable period of time. If necessary, the contractor shall see to the progress of the work performance simultaneously with any other works.

FACTORS ENTITLING TO AN EXTENSION OF THE TIME OF PERFORMANCE

§ 5 Neglect of the developer's obligation to cooperate

If the developer or any other party in a contractual relation with the developer proceeds in a manner that delays the work, and if it appears that the contractor has notified the developer thereof in time, the contractor shall be entitled to a reasonable extension of the time of performance.

§ 6 Factors beyond the parties' control entitling to an extension of the time of performance

The contractor shall be entitled to a reasonable extension of the time of performance if the completion of the building works within the time specified in the agreement is prevented by an exceptional factor that is beyond the parties' control and significantly hinders the fulfillment of the obligations under the agreement. Whenever such factors appear, the contractor shall immediately notify the developer thereof in writing, on penalty of forfeiture of its right to an extension of the time of performance.

§ 7 Restricting delay

In the event that an extension of the time of performance is justified on the basis of the abovementioned, the contractor shall do all in its power and take all the measures ordered by the developer to prevent the delay, providing that such measures do not cause excessive costs and do not violate labor legislation, work safety regulations or collective agreements.

LIABILITY

§ 8 General liability

A party shall be liable for fulfilling all its obligations under the agreement related to the building works, regardless of whether the work is performed by it or assigned by it to a third party, including for the content and information in the plans and designs it has drafted, for the orders it has given, and for performing all the works and fulfilling all the obligations under the agreement.

§ 9 Content of the liability

A party's liability covers the liability to compensate the other party for any damage resulting from a failure to fulfill in some respect the obligations under the agreement, or from any damage caused by the party in question to the other party. However, the party shall not be liable for damage that it was unable to prevent despite taking all the necessary precautions.

Liability for a delay relating to a period of time in respect of which liquidated damages have been agreed shall be subject to the stipulations on liquidated damages.

CONTRACTOR'S LIABILITY

§ 10 Scope of liability

The contractor in the capacity of expert shall be liable for performing the building works belonging to it under the agreement. The contractor shall repair any defective result of the work or do the work again.

§ 11 Liability during the period of guarantee

The contractor shall see to it that its work performance complies with the agreement during a period of guarantee, the duration of which is two years, unless provided otherwise in this agreement. The contractor's work performance covered by the guarantee also includes additional work and changes.

The contractor shall be liable at its own expense to repair defects in its work performance that are discovered during the period of guarantee and that cannot be shown by the contractor to have resulted from a reason beyond its control, e.g., from normal wear and tear, faulty use or neglect of maintenance that is the responsibility of the developer. The contractor shall repair or remove without delay defects that hinder the use of the result of the work or cause danger or deterioration. If the contractor delays performance of the works referred to above, the developer shall have a right to have the work done at the contractor's expense after notifying the contractor thereof in writing.

The period of guarantee commences on the day when the work performance is accepted at the acceptance inspection or, in the absence of such an inspection, on the day when the work performance is taken into use.

§ 12 Liability after the period of guarantee

The contractor shall be liable also after the period of guarantee for defects that are shown by the developer to have resulted from the contractor's gross negligence, a performance that was not completed, or from essential neglect of the quality assurance agreed on, and that the developer could not reasonably have been expected to notice during the acceptance inspection or the period of guarantee. The contractor shall be released from liability in this respect as well once ten years have elapsed from the commencement of the period of guarantee.

§ 13 Liability with respect to a third party

The contractor shall be liable for any damage and inconvenience caused to a third party or its property during performance of the works.

§ 14 Effect on liability of fulfillment of the obligation to notify

Whenever the contractor notices defects in the building products or functional elements ordered to be used in the building works or in the orders given by the developer that may endanger completion of the building works under the agreement, the contractor shall notify the developer thereof demonstrably and without delay. If, in spite of this, the developer insists that the stipulations of the agreement be observed, a contractor that performs the work according to the agreement shall be released from liability with respect to the factors which it has notified as stated above.

CHANGES TO THE PLANS AND PRICES

§ 15 Obligation to carry out changes to the works

The contractor shall be liable to carry out changes to the works as requested by the developer, providing that they do not essentially change the nature of the building works. Measures to carry out a change cannot be taken before the content of the change and its effect on the works have been agreed in writing.

ACCEPTANCE PROCEDURE AND GUARANTEE INSPECTION

§ 16 The acceptance inspection

At the acceptance inspection it shall be established whether the result of the work complies with the stipulations of the applicable documents. The developer and the contractor shall both have a right to request that the acceptance inspection be held when the building works referred to in the agreement are at a stage where it is possible to complete the remaining work before the acceptance inspection. The inspection shall be held not later than within 14 days of the date when the request was received, on a date that either has been agreed on or fixed by the developer. Any claims which a party wishes to direct at the other party shall be accompanied with specific grounds and presented not later than at the acceptance inspection under penalty of forfeiting any right to present these claims.

Any claims for which only the grounds have been given at the acceptance inspection shall be specified as to their amount not later than within one month of the acceptance inspection.

§ 17 Guarantee inspection

The guarantee inspection shall be carried out not earlier than one month prior to the expiry date of the period of guarantee notified at the acceptance inspection and not later than on the said expiry date. In the event that one of the parties does not request in time that the inspection be held by the time specified, the period of guarantee shall continue for one more month, during which the developer still has a right to present its claims based on the contractor's liability during the period of guarantee.

§ 18 Rescinding and transferring the agreement

The developer shall have a right to rescind the agreement:

- a) if the contractor fails to commence the work on the date specified, or if the work progresses so slowly that it is not likely to be completed within the time specified in the agreement
- b) if the building work does not comply with the agreement in respect of the building products, functional elements or work performance, or in some other essential respect
- c) if the contractor has not deposited the agreed security
- d) if the contractor is declared bankrupt, or if it is discovered that the contractor is in a situation in which it cannot be expected to fulfill its obligations under the agreement.
- e) if the building works must be interrupted for a long period of time of indeterminate duration owing to exceptional circumstances referred to in the Act on a state of defense and readiness or to a corresponding force majeure.

The contractor shall have a right to rescind the agreement if the developer does not fulfill its liability to pay under this agreement or any other liability that essentially affects the completion of the works, or if the developer acts in a manner that prevents the building works from being completed according to the agreement.

Prior to rescinding the agreement, the party shall remind the other party of the negligence in writing and order it to repair the negligence within a reasonable period of time under penalty of the agreement on building works being rescinded. Neither party shall have the right to transfer the agreement without the other party's consent.

COPIES OF THE AGREEMENTS AND SIGNATURES

This agreement has been drawn up in duplicate, with the developer and the contractor each retaining one copy.

Place and date

Developer

Contractor

Witnesses

Appendixes