



CONTRACT

This Contract is entered into on the ____ day of March in the year 201____, between:

Name _____ of _____ (Business Name if applicable)

Address _____

Hereinafter 'the Customer'

AND

Langley Audio Video Unlimited, 1051135 BC Ltd.

DBA: Langley Audio Video Unlimited

Unit 102, 19705 - 56th Avenue, Langley BC V3A 3X7

Hereinafter 'Langley Audio Video Unlimited'

1. CONTRACT TERMS

In addition to the terms set out herein, this Contract shall include Schedule A (Equipment & Services List).

2. THE 'CUSTOMER'

The 'Customer' shall include the Customer and/or any agent, representative or person authorized by the Customer to act on the Customer's behalf including but not limited to the General Contractor and Subcontractors.

3. THE PROJECT

Langley Audio Video Unlimited shall provide the Customer with:

Audio, Video and Control Systems ("The System"), more specifically described in the Schedule B, attached hereto and incorporated as an integral part of this Contract.



Electrical systems (including low-voltage wiring) and security alarm systems will be contracted directly between the Customer and those service providers, even though they may be referred to by Commercial Electronics.

4. THE SITE LOCATION

The Project shall be completed at the following location:

5. PERFORMANCE

All work by Langley Audio Video Unlimited shall be performed in a professional manner in accordance with accepted standards and practices of Langley Audio Video Unlimited Design and Installation Association (C.E.D.I.A) of which Commercial Electronics is a member in good standing.

6. COST

a. THE EQUIPMENT PRICE

The Equipment Price shall be \$_____ detailed in Schedule A, including tax & environmental fees. (NOTE: Equipment pricing is subject to fluctuations in the international exchange rates for CND\$.)

Note: The Equipment price does not include labour and materials or the projected reimbursable expenses.

7. TIME AND MATERIALS

The Parties agree that this Contract shall be performed on a time and materials basis. Time and materials means that all time for labour and materials required to complete the System shall be charged as incurred. Langley Audio Video Unlimited shall provide to the Customer, throughout the project, regular statements detailing the actual labour and materials incurred. The Parties understand that the labour and materials estimate as stated below and detailed in Schedule A is only an estimate and that the Customer shall be responsible for all labour and materials



actually incurred, the cost of which may be greater or less than the stated estimate. The labour and materials estimate is \$ _____ including taxes.

8. CHANGE ORDER

The Customer may order changes, additions, or modifications to the specified equipment without invalidating the Contract. If Langley Audio Video Unlimited contends that any equipment and its labour, whether ordered or offered, affects the original Contract amount, Langley Audio Video Unlimited shall provide notice to that effect specifying the product provided and the resulting additional cost or cost reduction no later than 30 days after the equipment is furnished or is to be furnished, unless this requirement is waived in writing by the Customer. Notwithstanding the foregoing, Langley Audio Video Unlimited shall have the right, without obtaining prior approval from the Customer, to make equipment and design changes as long as these changes do not diminish the overall performance or functionality of the System and do not increase the cost of same.

9. PAYMENT SCHEDULE

a. EQUIPMENT AND ACTUAL LABOUR

The Customer shall pay all invoices for equipment and actual labour incurred in accordance with Schedule A. At scheduling, a payment sequence will be set up. Equipment must be fully paid prior to delivery. All payments must be delivered to Langley Audio Video Unlimited no later than 10 (ten) days from the date of the invoice. Failure to pay in accordance with the Payment Schedule may result in interest charges in accordance with paragraph 10 below.

b. PROGRESS PAYMENTS

The Customer shall, in accordance with the labour and materials estimate as set out in paragraph 6(b) above, detailed in Schedule A, pay all progress payments to Langley Audio Video Unlimited within 10 (ten) business days from the date of the invoice. Failure to do so shall result in suspension of Contract performance by Langley Audio Video Unlimited.



PROGRESS PAYMENT SCHEDULE

PROGRESS PAYMENT	INVOICE TIMING	INVOICE AMOUNT
Stage One: Initial Deposit/Retainer	Due with signed contract, as agreed.	\$
Amount Received in advance of contract:		\$
Stage Two: Equipment & Labour Payment	For ongoing labour and equipment purchases, full payment due 10 days prior to equipment order & work schedule dates TBD.	\$
Stage Three: Progress Systems Payment	Upon stage three completion of project work.	\$
TOTAL ESTIMATED PROJECT	Excluding any overages, change orders, extra requests, etc.	\$
TODAY'S DEPOSIT WITH SIGNATURE NOTE	Deposits Include GST/PST	\$

c. SUBSTANTIAL COMPLETION

The Customer shall make full payment on all outstanding invoices no later than the date of “substantial completion”. Substantial completion shall be defined as the point in time when the Customer has use of the system. Substantial completion is not final completion and the Customer acknowledges that there may be remaining items or details that require completion. At the time of substantial completion, the Customer and Langley Audio Video Unlimited shall together walk through the site and a list of all outstanding items shall be created and signed by both Parties. Langley Audio Video Unlimited shall complete the outstanding items as listed in a timely manner.

10. INTEREST

Langley Audio Video Unlimited shall be entitled to interest at the rate of 2% per month (24% per annum) for all invoices which have not been paid within 30 (thirty) days of issue.



11. NOTICES

The terms of this Contract may only be amended in writing, signed by both Parties.

12. STANDARD EXCLUSIONS

Langley Audio Video Unlimited shall only be required to perform work or supply equipment as described in the attached Schedules. Langley Audio Video Unlimited, unless specifically stated otherwise, is not responsible for any other work including but not limited to:

- a. finishing work, carpentry, drywall patching, painting, plastering and other cosmetic work;
- b. the installation of A/C power duplex receptacles, lighting control dimmers, switches, AC shade motor hookups, or any other high voltage work (to be performed by a qualified and certified electrician or electrical contractor);
- c. damage to wiring, cables or equipment caused by the Customer or any third party;
- d. equipment or system problems or damage caused by the removal, substitution or addition of any parts of equipment by the Customer or any third party;
- e. trenching, channeling or conduit as required to run wiring underground to system components, or surface/concealed wiring on or through concrete, cinder block, steel, brick, millwork or other materials, or structural changes or alterations to the building;
- f. service provider modems, cable boxes, iPads, iPhones, Apple TV or other such accessories;
- g. re-finishing work that is required as a result of the cutting of holes to accommodate cabling or wire to be run through existing finished surfaces or cabinets. Langley Audio Video Unlimited shall exercise its best efforts to keep any refinishing requirements to a minimum. The Customer or the Customer's representative shall be responsible to coordinate any potential refinishing work at the Customer's own expense; and



- h. if part of the System Specifications as set out in the attached Schedules include a lighting control system, the AC line voltage hook-up of the control system to the electrical system in the Customer's home shall be the responsibility of the electrical Contractor of the Customer at the Customer's own expense. Langley Audio Video Unlimited's responsibility shall be limited to supplying the control equipment and interfacing the low voltage wiring and equipment to the control system. If lighting fixtures are incompatible, additional parts & labour may be needed.

13. INSTALLATION AND DELIVERY DATES

Installation and delivery dates shall be deemed to be estimates only. Langley Audio Video Unlimited shall not be liable in any respect for any delay in installation resulting from any cause beyond its reasonable control or without its fault or negligence or caused wholly or in part by building construction delays, acts of God, acts of civil or military authorities, fires, strikes, flood, epidemics, governmental rules or regulations, war, riot, delays in transportation or shortages caused by its suppliers' inability to deliver.

14. PRICING POLICY

In an effort to maintain fairness and equity for all clients and in all situations, Langley Audio Video Unlimited has established a standard Pricing Policy. With this policy, there are no hidden costs and no surprises.

Labour: Labour rates for each labour category as stated in Schedule A are assessed and adjusted annually to ensure that they are competitive and consistent with industry norms.

HST: Sales tax is required for electronics and services.

Environmental Fees: required by on specific items as listed by the government.

Reimbursable Expenses: From time to time, Langley Audio Video Unlimited incurs costs that are outside the scope of the Contract. These expenses are billed to the Customer at cost + 10% unless otherwise noted, and include the following:



Travel costs: for projects located outside of a 50 kilometre radius of Langley Audio Video Unlimited, the following charges shall apply:

1. \$0.50 per km, land travel;
2. the applicable hourly labour rate for one way of travel;
3. the cost of lodging based on the standard seasonal business; and
4. hotel rate for the area where the site is located; and d) \$60.00 per diem for meals and expenses.

Additional Copies of Project Documentation: in excess of the four (4) that are distributed with each submittal at current copying rates.

Restocking Fees: from a request by Customer for a product change or return after the item has been ordered and received by distributed.

Expedited Freight Charges: incurred as a result of requests by the Customer to speed up the project completion (for example: overnight shipments of equipment) that affects the project schedule or as a result of delays that may be caused by the Customer.

Equipment Rentals: as required to perform installation work not provided by the Customer.

Orientation and Training: A two hour orientation and training session demonstrating the capability and functionality of the system shall be provided by Langley Audio Video Unlimited to the Customer upon completion of the installation of the system. Langley Audio Video Unlimited shall provide up to two additional two hour training sessions within 90 days of completion of the system. Any additional training requested by the Customer shall be charged in accordance with the labour rates set out in Schedule A.

Back Charges: may be required on occasions in which Langley Audio Video Unlimited must repair or correct errors in work performed by the Customer. Back charges shall be presented for approval prior to any work being performed, unless time is of the essence and a verbal approval to proceed has been provided by the Customer.



Special Contract Administration: specifically requested by the Customer to detail certain processes beyond the scope of Langley Audio Video Unlimited's normal product, services and administrative duties at current administration rates.

15. GENERAL PROVISIONS

A site walk through shall be conducted by Langley Audio Video Unlimited prior to the commencement of the pre-wire phase for the purpose of identifying equipment and electronic device locations. Any Party interested in the location of the equipment with regard to its impact on the aesthetics and the coordination with other finishes and furnishings should be in attendance. The relocation of any equipment after pre-wire shall constitute a change order and shall be charged at the standard labour rate.

- a. A Project Manager shall be assigned to the project and shall coordinate directly with the Customer. The Project Manager shall have detailed knowledge and understanding of the systems designs and the installation process.

16. WARRANTY

Langley Audio Video Unlimited shall warrant the system for a period of one year from the date of substantial completion as defined in paragraph 8(c) above. The Customer may purchase additional warranty and/or maintenance programs at additional cost and as agreed to in writing by both Parties. No additional warranties shall be deemed to exist unless agreed to in writing by both Parties. Travel costs in accordance with paragraph 13 above shall apply to warranty work on projects located outside of a 50 (fifty) kilometre radius of Langley Audio Video Unlimited.

Langley Audio Video Unlimited shall not warrant its labour on any equipment not supplied by Langley Audio Video Unlimited but shall service such equipment at Langley Audio Video Unlimited current labour rates.

17. INSURANCE

Langley Audio Video Unlimited Responsibilities: Langley Audio Video Unlimited shall maintain in full force a comprehensive liability insurance policy in amounts necessary (not to exceed three million dollars) to protect the Customer from any damage to the Customer's



property resulting from errors, negligence or misconduct. Certificates of insurance shall be issued to the Customer upon request. Langley Audio Video Unlimited shall be in good standing with and shall have paid all assessments and levies under the Unemployment Insurance Act and the Workers Compensation Acts.

Customer's Responsibilities: The Customer shall maintain in full force and effect an insurance policy covering the cost of equipment and installation of same in the Customer's premises and for any damage to Langley Audio Video Unlimited property resulting from theft or negligence of others not under the control of Langley Audio Video Unlimited. The Customer shall have this insurance policy in effect from the time the equipment is delivered to the site, as stated in paragraph 4 above, until the Contract has been paid in full.

18. TERMINATION

If the Customer fails to make payment under the terms of this Contract through no fault of Langley Audio Video Unlimited, Langley Audio Video Unlimited may upon fifteen days of written notice to the Customer terminate the Contract. The Customer shall pay Langley Audio Video Unlimited for all work completed and any proven loss sustained on wages, materials, equipment and machinery, subcontractors and related costs, as well as reasonable attorney fees.

19. ARBITRATION OF DISPUTES

Any controversy arising out of the construction of the project referred to in or regarding the interpretation of this Contract shall be subject to arbitration by and in accordance with the applicable Construction Industry Arbitration Rules, which are in effect at the time the demand for arbitration is filed. Should any Party refuse or neglect to appear or participate in arbitration proceedings, the Arbitrator is empowered to decide the controversy in accordance with whatever evidence is presented in the Party's absence. The Arbitrator is authorized to award any Party such sums as he or she shall deem proper for the time, expense and trouble of arbitration.



20. GOVERNING LAW

This Contract shall be governed by and in accordance with the laws of the Province of British Columbia. Any part of this Contract that is determined by the Court to be in violation of any governing law shall be of no force and effect and shall be severed from this Contract. All other parts of this Contract shall remain in full force and effect.

21. CONTRACT LANGUAGE

The Parties hereto recognize that they have required the present Agreement, as well as all documents, notices and legal proceedings, entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les Partiesies aux présentes reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous les documents incluant tous les avis et procédures juridiques exécutés, donnés, ou intentés a la suite de ou en rapport, directement ou indirectement, avec la présenté convention.

Signed this ___ day of March in the year 201___

BETWEEN

Langley Audio Video Unlimited Representative: _____

Title: _____

Signature: _____

AND

Customer's Name: _____ Title: _____

Signature: _____

By signing this Contract the Parties acknowledge that they have read and understand all of its terms and conditions including those stated in the attached Schedules.



SCHEDULE A, LABOUR AND SERVICES

Langley Audio Video Unlimited Labour Charge-Out Rates for the project will not be adjusted for the duration of the project as identified in this Agreement. Rates are posted below:

TITLE	
Senior field CEDIA-certified technician	\$
Field Engineer Installer	\$
AutoCadd Operator	\$
Crestron-certified programmer	\$
Certified I.T. Engineer	\$
Certified Vantage Programmer	\$
CEDIA-certified professional designer	\$
Project Manager	\$