

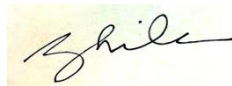
# **CPCCBC4003A SELECT AND PREPARE A CONSTRUCTION CONTRACT, CPCCBC4016A ADMINISTER A CONSTRUCTION CONTRACT & CPCCBC4032A APPLY CONTRACT LAW TO SALES PROCESSES**

## **THEORY EXAM INSTRUCTIONS**

- This exam will occur under standard assessment conditions.
  - An oral examination may be allowed under certain circumstances. Answers will be documented and FT003 (Oral examination declaration form) must be completed.
- Participants must provide enough detail in their responses to demonstrate their knowledge and skills.
- Please fill in the details below, providing your name, signature and date of assessment.
  - Your signature acknowledges that this is your own work.
- If a participant initially answers a question incorrectly but modifies their response, they must follow the instructions below:
  - If a participant changes their response in writing, they must put their initials next to the written change.
  - If a participant changes their response verbally, this must be noted on the exam paper by the assessor.

Participant name GENEVIEVE INCLAN

Participant signature



Assessor name

Assessor signature

Date 30/04/2019

| Number of questions | Number of questions answered correctly | Satisfactory?            |                          |
|---------------------|----------------------------------------|--------------------------|--------------------------|
|                     |                                        | Yes                      | No                       |
| 51                  |                                        | <input type="checkbox"/> | <input type="checkbox"/> |

### ASSESSOR COMMENTS

**Q1. Order the following elements of an agreement from 1 to 4.**

**Answer**

| Element Number | Element                         |
|----------------|---------------------------------|
| 2              | Acceptance                      |
| 4              | Consideration                   |
| 3              | Intention of legal consequences |
| 1              | Offer                           |

☐

**Q2. When would an offer be considered to have lapsed?**

**Answer**

An offer will lapse:  
When the time for acceptance expires;  
If the offer is withdrawn before it is accepted; or  
After a reasonable time in the circumstances (generally the greater the value of the contract, the longer the life of the offer)

☐

**Q3. What happens to the offer if new terms are suggested?**

**Answer**

New terms suggested are regarded as a counter offer which can be accepted or rejected

☐

**Q4. What does it mean when a contract is supported by 'valuable consideration'?**

**Answer**

One party promises to do something in return for a promise from another party  
Consideration is what each party gives to the other as the agreed price for the other's promises  
Usually the consideration is the payment of money

☐

**Q5. Identify two (2) parties who may be deemed to not have the capacity to enter into a contract.**

**Answer**

1. persons suffering from a mental disability,
2. intoxicated individuals

☐

**Q6. Outline your understanding of 'consent' as it applies to contractual agreements. Identify when 'apparent consent' might not actually exist.**

**Answer**

**Consent**

Consent is an act of reason and deliberation.

A person who possesses and exercises sufficient mental capacity to make an intelligent decision demonstrates consent by performing an act recommended by another.

Consent is implied in every agreement.

- Apparent consent may be negated because of mistake, fraud, innocent misrepresentation, duress or undue influence, all of which are defences to the enforcement of the contract.

☐

**Q7. Identify the building industry regulator in your state and describe its role, particularly with regards to providing advice about contracts.**

**Answer**

Queensland Building and Construction Commission Act (QBCC)  
The **QBCC** regulates the Queensland building industry through:  
Licensing contractors

Educating contractors about their legal rights and responsibilities

Educating consumers about their rights and obligations

Handling disputes fairly and equitably

Protecting homeowners against loss through the Queensland Home Warranty Scheme

Implementing and enforcing legislative reforms and, where necessary, prosecuting people not complying with the law

- QBCC or other Building Associations can assist you in reaching an amicable solution with your building contract break down

☐

**Q8. Under what laws are domestic building contracts regulated?**

**Answer**

[Queensland Building and Construction Commission Act 1991](#)

☐

**Q9. Domestic building contracts must be put in writing once the work exceeds what value?**

**Answer** \$3,300.00

☐

**Q10. A commercial building contract must be put in writing before the building work is started if the reasonable cost of the work is more than what amount? Identify the relevant law that imposes this requirement.**

**Answer** Contracts for building work over \$10,000 must be in writing before work starts. If the building work is valued at \$10,000 or less, the contract must be in writing before the work is completed

☐

**Q11. Contractors must give the owner a signed copy of the entire contract (including any plans and specifications) within how many days after entering the contract?**

**Answer** Within 5 business days

☐

**Q12. What are the benefits of having a written contract in place between parties?**

**Answer** Greatest protection to ensure that:

- Home owners receive the finished product they envisioned
- Builders get paid and paid on time!

☐

**Q13. Match the common building contract clauses and definitions below by writing the appropriate letter next to each number in the centre column.**

| Answer | Clauses            | Answers | Definition                                                                                                        |  |
|--------|--------------------|---------|-------------------------------------------------------------------------------------------------------------------|--|
| 1      | Acceptances        | 1 - F   | A Provide specific reasons that allow the contract period to be adjusted                                          |  |
| 2      | Cost adjustments   | 2 - E   | B A provision for which remedies can be sought if breached                                                        |  |
| 3      | Extensions of time | 3 - A   | C Specifically outlines the tasks to be completed as part of the construction work                                |  |
| 4      | Payments           | 4 - D   | D Outlines the requirements for deposits                                                                          |  |
| 5      | Scope of work      | 5 - C   | E Address the risk of rise/fall of expenses                                                                       |  |
| 6      | Term               | 6 - B   | F Require that the contract be accepted or rejected by a certain date, otherwise the contract will not be binding |  |

**Q14. Which of the following are preliminary contracts that a builder could ask a client to sign prior to signing the main contract? Tick all that apply.**

| Answer | Choice                              | Possible Answers      |  |
|--------|-------------------------------------|-----------------------|--|
|        | <input checked="" type="checkbox"/> | Contract estimate     |  |
|        | <input type="checkbox"/>            | Contract request      |  |
|        | <input checked="" type="checkbox"/> | Preliminary agreement |  |

**Q15. True or False (Tick your response): Clauses within pre-contract agreements may carry over into the contract, so it is important to discuss these with the client and come to an agreement.**

|        |                                     |       |  |
|--------|-------------------------------------|-------|--|
| Answer | <input checked="" type="checkbox"/> | True  |  |
|        | <input type="checkbox"/>            | False |  |

**Q16. Identify and explain the purpose of four (4) standardised building construction contracts – two (2) residential and two (2) commercial.**

**Answer**

| Contract name                             | Description                                                                                                               |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| New home construction contracts           | For the construction of an entire home                                                                                    |
| Kitchen Bathroom & Laundry Supply Install | This supply and install contract is tailored specifically for the kitchen bathroom and laundry industry                   |
| Commercial building contracts             | A lump sum contract to be used for the construction only of commercial building work with or without a Principal's agent. |
| Commercial Minor Works Contract           | A lump sum contract for minor commercial work up to the value of \$100,000                                                |

☐

**Q17. Identify an appropriate standardised contract that would be suitable for a commercial works job up to \$100,000.**

**Answer** Commercial Minor Works Contract

☐

**Q18. Identify one (1) standardised residential building contract and explain the maximum value of the work it may be used for.**

**Answer** Level 2 – Renovation, Extension and Repair contracts

- For renovations, extensions and routine repairs on existing homes for contracts \$20,000 and over

☐

**Q19. Describe the requirements for each of the topics listed below, with regards to residential contracts priced at \$20,000.**

**In Queensland, these are outlined in the QBCC Consumer Building Guide, which the consumer must sign before work is undertaken.**

**Answer**

| Topics                             | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Builder's Licence                  | You should only deal with a QBCC-licensed contractor. If you engage an unlicensed contractor, your building work may not be covered under the Queensland Home Warranty Scheme. Always check the contractor's licence and licence history via QBCC's Online Licence Search                                                                                                                                                                                                                                                                                                                                          |
| Contract price                     | The total contract price must be stated on the first page of the contract schedule. For contracts priced at \$20,000 or more, the contract must also contain a warning about any provisions that may cause the contract price to change and if the contract price includes any allowances (items or services for which the price is not fixed at the time the contract is signed), these allowances must be stated in the contract schedule                                                                                                                                                                        |
| Building approvals and inspections | Building inspections and approvals are the responsibility of a building certifier. Mandatory building inspections may be required at certain stages of construction. You can check the certifier's licence via QBCC's Online Licence Search                                                                                                                                                                                                                                                                                                                                                                        |
| Practical completion and handover  | You are not required to pay the final contract payment until all of the contracted work has been completed in accordance with the contract, all legal requirements, and either without any defects or omissions, or with only minor defects or minor omissions that will not unreasonably affect occupation. If you believe there are any minor defects or minor omissions, the contractor must give you a 'defects document' (listing agreed and non-agreed matters). This document should be compiled by you and the contractor during a handover inspection. Check your contract to see if it imposes any extra |
| Implied warranties                 | Under the Act, a range of warranties are deemed to be part of all regulated domestic building contracts. The warranty period is six years for structural defects and one year for all other defects                                                                                                                                                                                                                                                                                                                                                                                                                |



Q20. Which of the following documents can be referred to as collectively making up a contract? Tick all that apply.

| Answer | Choice                              | Possible Answers                              |  |
|--------|-------------------------------------|-----------------------------------------------|--|
|        | <input checked="" type="checkbox"/> | Engineer specifications                       |  |
|        | <input checked="" type="checkbox"/> | Plans, drawings and specifications            |  |
|        | <input checked="" type="checkbox"/> | Prime Cost Items Schedule                     |  |
|        | <input checked="" type="checkbox"/> | Processes for applying for extensions of time |  |
|        | <input type="checkbox"/>            | Product catalogues                            |  |
|        | <input checked="" type="checkbox"/> | Project timelines and schedules               |  |
|        | <input checked="" type="checkbox"/> | Provisional Sums Schedule                     |  |
|        | <input checked="" type="checkbox"/> | Rise and fall calculations                    |  |
|        | <input checked="" type="checkbox"/> | Site conditions report                        |  |
|        | <input checked="" type="checkbox"/> | Soil and sedimentation report                 |  |

Q21. What is the difference between the Prime Cost Item Schedule and the Provisional Sum Schedule in a contract? Provide an example of each type to help explain your response.

| Answer |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|        | <p><b>Prime Cost (PC) item is</b></p> <ul style="list-style-type: none"> <li>An amount of money included in a contract sum to purchase a specified item such as tiles, taps, doors or bathroom fittings</li> <li>An agreed estimated amount is included at contract signing but the specific products are not selected until a later stage</li> <li>A builder must estimate the cost of such items at or above the lowest amount these items could reasonably cost</li> </ul> <p><i>For example if a client selects a more expensive door than allowed by the PC item, say a \$500 door compared with a \$440 PC amount, a variation will be required to cover the additional \$60. If the PC item varies, so will the final contract sum.</i></p> <p><b>Provisional Sum (PS) item is</b></p> <ul style="list-style-type: none"> <li>An amount of money included in contract sum to cover work and/or materials, not detailed when entering the contract</li> <li>Typically builders will include a PS for site work costs</li> <li>The builder is legally required to take reasonable steps to ensure an accurate site works cost estimate but unforeseen events mean that the provisional sum is exceeded which is added to the contract sum</li> </ul> <p><i>For example a building site may seem sandy and clean with minimal siteworks required, however, there may be large limestone rocks/tree trunks concealed below the surface which only emerge once siteworks commence, causing cost overrun.</i></p> |  |

Q22. **Cost adjustment provisions under a contract address risk by providing mechanisms for adjusting contract payment to reflect changes in costs. What can cost adjustment apply to?**

Answer ☐

They only apply to long-term costs and some specific costs (e.g. labour and materials, currency exchange rates for overseas-purchased goods, duties, taxes, shipping).

Q23. **True or False (Tick your response): Variations can be requested by both the client and the builder.**

Answer ☐

|                                     |       |
|-------------------------------------|-------|
| <input checked="" type="checkbox"/> | True  |
| <input type="checkbox"/>            | False |

Q24. **How should you deal with a client variation request that consequently requires a time extension? How are time extensions addressed within the contract?**

Answer ☐

When a customer asks for a **time extension** or 'variation' to the contract it requires:

- A variation in writing
- You to issue an 'extension of time' form – essentially asking the client to grant you an extension of the contract period to allow for delays caused by the variations
- The specific reasons for an extension of time are set out in the general conditions of the building contract and include reasons such as: inclement weather and delays caused by the owner, such as changes in the scope of works
- You should be familiar with the General contract conditions to you know what time extensions you are entitled to over the contract period

**Q25. Name the Fair Trade legislation that applies in your state and identify which persons/bodies it applies to.**

**Answer**

[Fair Trading Act 1989 \(Qld\)](#)

These Acts prohibit:

- Misleading or deceptive conduct
- Unconscionable conduct (i.e. particularly harsh or oppressive conduct)
- Unfair contract terms (i.e. making a significant imbalance in the parties' rights and obligations arising under the contract)

☐

**Q26. Under the National Consumer Credit Code, before entering into a credit contract, what must the credit provider do?**

**Answer**

Before entering into a credit contract, the credit provider must:

- Make reasonable inquiries about why you want to borrow the money
- Make reasonable inquiries about your financial situation
- Take reasonable steps to verify your financial situation
- Assess whether you can meet the financial obligations of the credit contract (and whether it will meet your needs)

Determine that the credit contract is 'not unsuitable' for you

☐

**Q27. What does the 'cooling off' period refer to when undertaking domestic building work with a total contract price of \$20,000 or more?**

**Answer**

Under section 35 of Schedule 1B, home owners generally have the right to withdraw from the contract during the cooling-off period of 5 business days. The cooling-off period commences on the day after the owner receives a signed copy of the entire contract (including any plans and specifications) and, for contracts priced at \$20000 or more, a copy of the QBCC Consumer Building Guide

☐

**Q28. What are the maximum deposits recommended for a residential building project?**

**Answer** ☐ The QBCC Act sets out maximum deposit percentages that must not be exceeded. If the contract for domestic building work is priced at \$20,000 or more, the maximum deposit is 5%. If the contract price is more than \$3,300 and less than \$20,000, the deposit must not exceed 10%.

**Q29. Throughout the building schedule, progress payments are made when each new stage is ready to commence.**

**Identify the recommended stages and percentages for these progress payments on a typical new residential housing building project.**

**Answer** ☐

|                         |     |
|-------------------------|-----|
| 1. Deposit              | 5%  |
| 2. Base Stage           | 15% |
| 3. Frame Stage          | 20% |
| 4. Enclosed Stage       | 25% |
| 5. Fixing Stage         | 20% |
| 6. Practical Completion | 15% |

**Q30. You have been engaged by a client to construct their residential dwelling for \$550,000. Your client is pressuring you to accept a \$70,000 deposit to get priority on their construction. Should you accept the deposit? Explain your response.**

**Answer** ☐ No, because it exceeds the maximum deposit percentages that QBCC sets out that must not be exceeded. If the contract for domestic building work is priced at \$20,000 or more, the maximum deposit is 5% only which in this case should be only \$27,500. If the contract price is more than \$3,300 and less than \$20,000, the deposit must not exceed 10%.

Q31. Explain the following types of contractual breach and identify the consequences for the contractual arrangement due to each type of breach.

|        |                                    |                                                                                                               |                          |
|--------|------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------|
| Answer | Breach                             | Explanation                                                                                                   | <input type="checkbox"/> |
|        | Breach of condition under contract | These are essential terms. If a condition is not fulfilled, the nature of the contract is drastically changed |                          |
|        | Breach of warranty under contract  | If a warranty is not fulfilled, the nature of the contract is not drastically changed.                        |                          |

Q32. What does repudiation of a contract mean?

|        |                                                                                                                                                                                                                                                                                                                           |                          |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Answer | Repudiation is a term used to describe the <i>rejection of a proposal or idea</i> . When a party to a <b>contract is unwilling, or exhibits behaviour</b> which suggests that they are unwilling to perform their contractual obligations, the innocent party has the right to terminate the contract due to repudiation. | <input type="checkbox"/> |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|

Q33. True or False (Tick your response): In the event of repudiation, the injured party has two options:

- Continue with the contract
- Accept the repudiation and move to terminate the contract

|        |                                     |       |                          |
|--------|-------------------------------------|-------|--------------------------|
| Answer | <input checked="" type="checkbox"/> | True  | <input type="checkbox"/> |
|        | <input type="checkbox"/>            | False |                          |

Q34. Why should you exercise caution, even if you are sure that the other party has repudiated the contract?

|        |                                                                                                                                                                                                                                                 |                          |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Answer | The 'injured' party must act with caution – because if the situation is not deemed to be a repudiation, by acting the terminate the contract the 'injured' party may themselves be repudiating the contract and could be liable to pay damages. | <input type="checkbox"/> |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|

**Q35. What does 'abandonment of contract' mean?**

**Answer** ☐ One type of abandonment is contract abandonment, where the parties both have conducted themselves in such a way that the original contract is no longer valid. Both parties may mutually agree to do this, or it can become part of a claim.

Another type of abandonment is where a contractor fails to perform the work on a project by either not starting the project in a reasonable amount of time, or not completing the work, or failing to resume work in a reasonable amount of time. Abandonment of a construction project without legal excuse is a cause for disciplinary action.

**Q36. A contract can be terminated for 'cause' or for 'convenience'. Explain these two terms.**

**Answer** ☐ Where a party is unwilling to perform under the agreement (i.e. for reasons other than poor performance), this may be deemed a termination of 'convenience';

Where one party fails to meet the terms of the contract (e.g. due to poor performance) the aggrieved party's action may be deemed a termination for 'cause'

**Q37. Yes or No (Tick your response): Referring to Section 25 of Schedule 2 of the *Competition and Consumer Act 2010* (Cth), would a contract be unfair if it contains a term that permits the builder, but not the client, to terminate the contract?**

**Answer** ☐

|                                     |     |
|-------------------------------------|-----|
| <input checked="" type="checkbox"/> | Yes |
| <input type="checkbox"/>            | No  |

Q38. If time is not of the essence for contract completion and one party fails to perform on time, the other party may terminate the contract after serving notice – specifying a time for performance on the first party. What are the requirements of a valid notice to complete?

Answer ☐ If timeframes are not specified in the contract and one party fails to perform within a reasonable timeframe, the 'injured' party may terminate only after serving the defaulting party with notice which must specify:

- What must occur to perform the contract
- A reasonable time in which the contract must be completed
- A statement of the consequences of not performing in accordance with the notice

Q39. True or False (Tick your response): Where the notice given (as per Q38.) is deemed invalid, the innocent party must either serve another notice or prove repudiation by the defaulting party, in order to terminate the contract.

Answer ☐

|                                     |       |
|-------------------------------------|-------|
| <input checked="" type="checkbox"/> | True  |
| <input type="checkbox"/>            | False |

Q40. When is the client owner required to pay the final contract payment? How might this be affected by defects and omissions?

Answer ☐ The client owner required to pay the final payment of the project at practical completion and not at handover.  
A building contract usually defines practical completion as **when all works are completed except for any defects or omissions** which do not prevent the home from being used for its intended purpose, that is: if the unfinished items prevent the home from being "lived in" then practical completion could be deemed not to have occurred.  
Confusion over this point is common because it is at the point of practical completion that payment of the final progress claim becomes due. Final payment cannot be withheld as it is a contract breach. The builder has a contractual obligation to repair these minor defects, but this may not necessarily happen before handover although most builders would attempt to do so

**Q41. Explain the concept 'conditions for completion at the cost of the contractor'.**

**Answer** If a contractor fails to complete the contract by the time nominated or fails to achieve the performance obligations (breach of contract) the owner may deduct from monies owing the liquidated damages.

☐

**Q42. Describe what must be stated in a 'warranty against defects' about the person who gives the warranty [as per Section 90 of the *Competition and Consumer Regulations 2010* (Cth)].**

**Answer** Person's Name, business address, telephone number, email address (if any)

☐

**Q43. Name one (1) person you should consult if you are considering ousting a contractor from a building site.**

**Answer** Contract or Lawyer

☐

**Q44. What document should you refer to if you are considering ousting a contractor from a building site?**

**Answer** Construction Law by Julian Bailey

☐

**Q45. How should you handle a customer complaint?**

**Answer**

1. Deal with the complaint immediately
2. Stay calm
3. Identify the problem
4. Decide what can be done
5. Arrange a second opinion to confirm your view
6. Keep records
7. Fix the problem

☐

**Q46. How do you reduce the risk of dispute?**

**Answer**

Confirm details in writing. ...  
Read contracts before signing them. ...  
Develop good communication and relationships. ...  
Know your legal obligations. ...  
Seek help early

☐

**Q47. What is the process for dispute resolution?**

**Answer**

Arbitration - A procedure for resolving disputes that involves less formality than a court hearing. An arbitrator's decision is final and cannot be appealed.  
Mediation - a qualified person designs and manages a fair process and you and the hirer are the experts on the dispute  
Conciliation - a qualified person designs and manages a fair process and they, you and the hirer are the experts on the dispute – the conciliator may play an advisory role

☐

**Q48. During your build the client has emailed you at 7:00pm to say they have been to the premises and noticed the installed bath in the bathroom is the wrong style.**

**You check the contract and the white goods and chattels list selected by the client. You cross check this with the specifications and your materials order and the receivable order sheets. You establish that the bath, as per these details, is correct and there has been no mistake on your part.**

**Draft a detailed response email to your client alerting them to the pertinent parts of the contract and specification, cross-referencing the details in regard to this item and its installation.**

**Answer** SUBJECT: Contract & Specification – Installed Bath



Dear Mr. Client,

This is to inform you that the installed bath in the bathroom is the correct style as per the contract and there is no mistake on our part.

I have checked the contract, the white goods and chattels list selected by you and have cross checked this with the specifications, materials ordered and receivable order sheets.

Please do not hesitate to contact our office for further information or assistance.

Regards,

GENEVIEVE INCLAN  
Contractor Representative

**INCLAN HOMES PTY LTD**  
P 0411 000 111 F 07 5555 000  
3058/2633 Gold Coast Highway, Broadbeach 4218

Q49. Where would you find any possible penalties associated with a build?

Answer Section 42 of QBCC Act

☐

Q50. Explain the process for obtaining the final inspection certificate.  
Explain how such documentation is to be stored/lodged.

Answer

1. **Pre-handover inspection** – Arrange an on-site inspection with the client perhaps a week before the date nominated for handover. This gives you a final opportunity to address any remaining issues prior to handover
2. **Final Payment** - Organise final payment of the project at practical completion and not at handover
3. **Handover** – during handover give the client/s:
  - Certificates of inspection
  - Product warranties for appliances installed
  - Reports, notices or other documentation issued by service providers (e.g. electricity, gas, telephone, water or sewerage)
4. **Defects** – Complete defects report during handover inspection

The Planning Act 2016 and the Building Act 1975 require a private certifier to lodge building work documentation with Council.

☐

**Q51. Select and prepare an appropriate standardised contract for the client in the scenario below.**

Mr. and Mrs. Cousins intend to engage your company Resilient Homes Pty Ltd (License 141526) in order to build a new low-rise residential dwelling as their future retirement property. Mid-term of this build the clients intend putting their current home on the real estate market for sale.

**Additional details:**

- The land has been secured and paid for by the Clients.
- Proposed contract amount is \$580,000.00 plus \$85,000 for a kidney shaped 9m x 6m in-ground swimming pool, landscaping, gardens and lawns.
- Mr. and Mrs. Cousins have finance approval from the Commonwealth Bank for \$390,000.00 and the balance in cash. You have received written assurance from the Clients finance company and bank that their finances for the build are fully secured.
- Mr. and Mrs. Cousins want to pay you \$75,000.00 upon signing of the contract to get their build at the top of your priority list.
- The residential dwelling will be a low set single skin masonry structure with hip and valley roof using glazed clay tiles, contrast metal fascia and gutters and colour/rendered finish on a 1000m<sup>2</sup> level block upon which there are three large standing hardwood trees which will need to be fully removed.
- The Clients want the largest tree wood chipped and the chipped bark retained on site for the future gardens and landscaping.
- Mr. and Mrs. Cousins operate an aluminium window supply company and have advised they will supply all the windows and shower glass for the build.
- The dwelling has four bedrooms with built-ins. The master bedroom has ensuite with toilet, spa bath and double shower and walk-in robe and dressing area. There is an office, gourmet kitchen with stone bench tops and butler's pantry, media room, separate open plan dining adjacent to the kitchen plus slate tiled outdoor entertaining area adjacent to the pool, two living areas (formal and informal), two bedrooms share a bathroom with bath, shower, double vanity and toilet and the guest bedroom is ensuited with shower only, toilet and single vanity, there is a powder room (toilet and vanity only), three car garage (one double and one single) and a store/workshop room at the rear of the double bay garage. A slab is to be put down in the back corner of the allotment for a 5m x 3m garden shed.
- The council approved building plans have been provided by Mr. and Mrs. Cousins these do not include the garden shed slab.
- The construction period excluding inclement weather and possible delays is 23 weeks
- Provisional sums are required for the wet areas, alfresco area and living area tiling. (Only the bedrooms are carpeted).
- Prime costs are required for the solar hot water system and ducted air conditioning
- Provide fictitious details for all other sections of the contract.
- 18 solar panels are to be installed on the roof

**Answer** As attached...

