

Integrity Builders Inc. Contractual Agreement

1. **The Parties:** This contract is between Integrity Builders Inc., herein referred to as Contractor, and Yamhill County, herein referred to as Customer.
2. **The Property Location:** The contractor proposes to perform work on the customers property located at: 8825 SE Morgan, McMinnville OR 97128
3. **Contract Identification Number:**05-2014
4. **Property Ownership:** The customer warrants that they are the owner of the above property and/or have power of attorney or legal permission to enter into contracts for, and make payment for, work on the property, and that is free and clear of liens and is fully covered by homeowners insurance. Customer also warrants that the property is not part of any legal dispute or action at the time of signing this contract.
5. **Scope of Work:** Only written contract documents define the scope of work for which the contractor is responsible. These include: the construction agreement, drawings, specifications, notes on permits and customer change orders. For details on this contract, see the SCOPE OF WORK PAGE. When in doubt, change orders take precedence over specifications and specifications take precedence over drawings. Any work outside of these documents must be done by written change orders. All prior discussions, sketches, designs and negotiations are waived and this is an absolute and binding acknowledgement of legal consequences.
6. **Contract Price:** The total contract price is found on the SCOPE OF WORK page. The price stated on the SCOPE OF WORK page does not include change orders or provide for any contingencies as outlined in the PREMISES stated below. The contract price is valid for a limited time as stated on the signature page.
7. **Escalation Clause:** In a volatile market increases in labor, materials, and operating expenses can come unexpectedly, and may be cause for price adjustments to the Scope of Work. Customer understands and agrees that the job costs are subject to escalations unforeseeable at project start. Contractor agrees to pass on only actual cost increases, with no markup.
8. **Change Orders:** The customer may request a change in the scope or details of work contractor at any time. If agreed to by the contractor, the change order will be accepted, in writing, on the contractors change order form only, with payment due in full at next billing. Signing of a change order by any owner is binding upon all owners. Change orders can be accepted by the Contractor only, not by subs or employees, and only if incremental payments are current. A change order may cause a delay in the final completion date of a project and

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may also require a change to the building permit for the project. All materials required for a change order are billed at 1.5 times contractors cost. Any line item deletions from the Scope of Work by the customer, require a change order, otherwise the Scope of Work is binding.

9. **Building Codes:** The contractor will, to the best of his ability, build to the customer's design, and the current local building codes.
10. **Permits:** The contractor will pull the required permits for this project. No work will be done without the proper permit.
11. **Commencement and Completion Dates:** As outlined in the Scope of Work, work will commence within a reasonable time after receipt of a signed contract, deposit payment and approval of drawings and permits by the contractor. The project will be assigned a target commencement date. Work will continue in a timely fashion but may be delayed due to weather, strikes, injury, or other unforeseen delays beyond contractor's control. Where possible, the contractor will also give a target completion date. Delays caused by permitting process or change orders will affect the completion date. Delays caused by late payments, actions or inactions by the customer may result in additional rescheduling costs and/or cancellation for the contract.
12. **Progress Payments:** The customer acknowledges that the Contractor cannot function with interruptions in cash flow and agrees to make full payments as invoiced. The payment schedule will be monthly as progress is completed unless stated otherwise. Failure by the customer to make progress payments as scheduled may result in a stop of all work until payment is made, and may result in cancellation of the balance of the contract. There may be no holdback from payment of any invoice except as agreed by the contractor and customer for specific work.
13. **Final Payment:** Final payment will be due upon substantial completion of project.
14. **Hidden Damages and Additional Work:** Any condition not readily accessible or visible, such as insect or water damage, concealed wiring or pipes, etc., may require additional work and is not covered in SCOPE OF WORK above. Conditions requiring additional work that is unforeseeable will be dealt with a change order at the time work necessary is revealed.
15. **Premises:** The contractor is not responsible for injury or property damage sustained by third parties who enter the job site without direct authorization from the contractor. The contractor will maintain a clean and safe worksite and will clean up and remove all debris. Unless otherwise provided in the construction agreement, the customer is responsible for properly informing the contractor of all property lines, location for underground restrictions, easements, or right of ways, subsoil conditions, septic tanks, sprinkler systems, etc. The contractor will be responsible for utilities of public record. The customer understands that the contract price does not provide any contingency for hidden or unobserved defects, or any hidden utilities such as wiring or plumbing. Any extra work required by the discovery of such items will be done only by change orders and the contract price adjusted accordingly.

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16. **Hazard Materials:** Unless specifically provided for, the contractor shall not be responsible for the removal or disposal of hazardous materials as defined by federal, state and local law such as lead paints, asbestos or materials containing asbestos. If such material is encountered during work, the customer will pay any and all costs to remove and dispose of such material.
17. **Insurance:** The contractor maintains liability insurance as required by the state of Oregon and the Construction Contractors Board.
18. **Subrogation Waiver:** All parties waive their rights against each other for any damages caused by fire or other peril covered by any property insurance.
19. **Contractor Validity:** Integrity Builders Inc. is a currently licensed General Contractor in Oregon State and carries all required bonds and liability insurance. All vehicles are fully insured. The contact information to the CCB as shown on Board records is: Integrity Builders Inc, 1525 SW Cypress Ln, McMinnville OR 97128, CCB # 147396.
20. **Construction Liens:** Oregon CCB has lien law requirements that are part of this contract.
21. **Breach of Contract:** Failure by the customer to adhere to the conditions listed above is considered a breach of contract. Where this occurs, the contract immediately becomes void and contractor may end work and vacate the job site without any further responsibility or liability. In the event of that cancellation of the contract becomes necessary, full payment is due on all labor performed and material purchased, to that point.
22. **Supplemental Terms and Conditions.** Supplemental terms and conditions are attached hereto as Exhibit "A" and are hereby incorporated by this reference.

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CCB
Contract Terms Requirements

OAR 812-012-0110

1. Summary of Required Construction Contractor Board (CCB) Consumer Notices

Oregon law requires construction contractors to give homeowners certain notices before and during a construction project. This summary explains what they mean. It is important to read and understand these forms.

a. **Consumer Protection Notice** – This information explains contractor licensing standards, bond and insurance requirements, steps consumers can take for successful construction project and what to do if problems occur.

b. **Information Notice to Owner About Construction Liens** – Contractors must give homeowners this notice any time the contract price is more than \$1,000. It is given at the time a written contract is signed or if a verbal contract within five working days. The notice explains the construction lien law. It includes steps homeowners can take to protect their property from a construction lien.

c. **Notice of Procedure** – The notice explains what a homeowner must do before beginning an arbitration or court action against a contractor for construction defects. (This procedure is separate from the Construction Contractors Board (CCB) Dispute Resolution process).

2. Explanation of Property Owner's Rights

a. Consumers have the right to receive the products and services agreed to in the contract.

b. Consumers have the right to resolve disputes through means outlined in the contract.

c. Consumers have the right to file a complaint with the CCB. Any arbitration or mediation clauses in the contract may prevent the CCB from processing.

3. Arbitration/Mediation Clause

a. An "arbitration or mediation clause" is a written portion of a contract designed to settle how the parties will solve disputes that may arise during, or after the construction project. Arbitration clauses are very important. They may limit a consumer's ability to have their dispute resolved by the Oregon court system or the Oregon Construction Contractors Board.

b. The following box should be checked by the contractor:

This contract DOES NOT contain an arbitration or mediation clause.

c. The Oregon Construction Contractors Board urges consumers to read and understand the entire contract – including any arbitration clause before signing a construction contract. Consumers are not obligated to accept contract terms proposed by the contractor, including arbitration provisions. These may be negotiated to the satisfaction of both parties.

4. Written Warranty

Effective July 1, 2008

Buyer acknowledgement that contractor has offered warranty against defects in materials and workmanship to the purchaser for one year from substantial completion. This warranty can be extended for an additional cost. Purchaser has accepted or rejected the offer of a warranty.

_____ purchaser _____ date

5. Maintenance Schedule

Effective July 1, 2008

The buyer acknowledges receipt of the maintenance schedule (see Appendix _____ in the contract.)

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22. Consumer Signature Date Contractor Signature Date

THIS CONTRACT MAY BE WITHDRAWN IF NOT ACCEPTED
WITHIN 30 DAYS

SIGNATURE

CONTRACTOR *[Signature]* DATE 5/26/14

CUSTOMER *Allen Springer* DATE 6-19-14

Note: Please initial each page of this contract at the bottom of each page.

Accepted by Yamhill County
Board of Commissioners on
6/19/14 by Board Order
14-330

Scope of Work

Integrity Builders Inc
1525 SW Cypress Ln
McMinnville OR 97128
503-472-8013
CCB #147396

Date: May 21, 2014
To: Yamhill County
Of (company): _____
City, State, ZIP: _____
Good until: July 2014
Project name: Oxford House

We propose to furnish all material and perform all labor necessary to complete the following:

1. Install 13 D fire sprinkler system with a fire pump and 300 gal holding tank. The sprinkler pipe with be exposed iron. (Wyatt Fire Protection) \$11,500

2. Add 1/2" water line from laundry room to the new holding tank (Northwest Plumbing) \$503

3. Install electrical wiring to energize fire pump and electric bell. Adding this circuit will necessitate doubling up of breakers to make room in the panel. (The pump is 13 amp, 240 volts) (Nice Electric) \$1275

4. Paint exposed pipe with primer and flat black color coat. (Integrity Builders Inc) Estimated cost \$675

5. Repair and paint any sheetrock damage from sprinkler installation. (Integrity Builders Inc) Estimated cost \$960

6. Construction clean all impacted areas. (Integrity Builders Inc) Estimated cost \$480

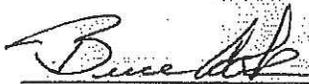
7. Stain the existing fence at the Oxford House, both sides, with Superdeck stain of a color to be chosen by Yamhill County (Integrity Builders Inc) \$1820

8. Permit Estimated cost \$260

9. Supervision of bid process and construction (Integrity Builders Inc.) 15% of total bid \$2621

We propose to furnish material and labor, complete in accordance with above specifications, for the sum of: Twenty thousand ninty four Dollars \$ 20,094

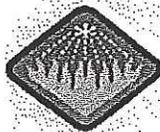
Payments to be made as follows: Monthly draws matching percentage of work completed
100% upon substancial completion

Contractor's signature: 

Acceptance of proposal The above price, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Owner's signature:  Date: 6-19-14

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WYATT
FIRE PROTECTION, INC.
9095 S.W. Burnham
Tigard, OR 97223
(503) 684-2928

PROPOSAL TO
INTEGRITY BUILDERS, INC.

April 16, 2014

Integrity Builders, Inc.
1525 SW Cypress Ln.
McMinnville, OR 97128

Attention: Bruce Cook

Subject: The Oxford House

The following is a proposal to provide an automatic fire sprinkler system at the above referenced location.

Wyatt Fire Protection, Inc. will provide materials, design, and installation labor for the amount of \$7,200.00. Our price includes only that described under scope of work and will remain in effect for thirty 30 days, after which it will be subject to our review. System design and hydraulic calculations are based on the following water flow information:

Static:
Residual: N/A
G.P.M.:

Scope of Work:

Wyatt Fire Protection, Inc. will install a complete residential system comprised of the following equipment:

- A. Interior Work:**
- Light hazard density (13D).
 - Electric bell.
 - Water flow indicator.
 - Control valve.
 - Concealed residential sprinklers.
 - Double check valve assembly.

All required hangers and earthquake braces.
Systems test and permits.

B. Exterior Work:

Excluded. Point of connection to start in garage at plumber provided tee fitting.

Please Note: Tee must be installed upstream of any control valves or pressure reducing valves.

We assume City water supply is adequate to supply a fire sprinkler system without the use of a fire pump. We recommend domestic water service meter and line is not sized/installed until fire sprinkler design is complete.

Insulation of piping will be critical to prevent freeze damage. Please see attached detail for proper installation technique.

The fire sprinkler system will require approximately 50 GPM @ 50 psi. If a fire pump and 300 gallon poly tank is required, please add\$4,300.00

C. Exclusions:

- Electrical wiring of any kind. (Electrical Bell)
- Remove and replace attic insulation.
- Remove and replace sheet rock at lower level.
- Insulation of piping.
- Water supply to tank.
- Plumbing permit for back flow. (If required)

D. Assumptions:

- Our bid is per bidder design only.
- It is the owner's responsibility to provide adequate heat (40 degrees minimum) in all areas protected by a wet pipe sprinkler system.
- All work to be performed during normal working hours.
- Work areas to be accessible at all times.
- The water flow information was provided by the authority having jurisdiction and is assumed accurate. Wyatt Fire Protection, Inc. is not responsible for discrepancies.

Payment schedule as follows:

Payment is net thirty (30) days from monthly progress billing.

All work will be performed in accordance with the standards of the National Fire Protection Association and subject to the acceptance and inspection of the local fire marshal.



Consumer Protection Notice

Actions to Take When Hiring a Contractor

(ORS 701.330 (1))

Oregon law requires contractors to provide the homeowner with this notice at the time of contract, for work on a residential structure. This notice explains licensing standards, bond and insurance requirements, and steps that consumers can take to help their construction project run smoothly.

TAKE ACTION TO HELP MAKE YOUR PROJECT SUCCESSFUL

1. Make sure your contractor is properly licensed before you sign a contract. Visit www.oregon.gov/ccb and click on the link, Check on a Contractor's License, or call our offices at 503-378-4621. To be licensed in Oregon, contractors or employees who exercise supervisory authority over construction activities, must take training and pass a test on business practices and law. Licensing is not a guarantee of the contractor's work.
 - A license also requires the contractor to have a surety bond and liability insurance. Depending on license category, the CCB surety bond provides from \$5,000 to \$20,000 coverage if the contractor is ordered to pay damages in contract disputes. Insurance coverage provides from \$100,000 to \$500,000 in general liability for property damage and bodily injury caused by the contractor.
 - If your contractor is not licensed - the CCB bond and dispute resolution services will not be available to you.
2. What you should know about bids, contracts, and change orders: **GET IT IN WRITING!** Always get bids, the contract, and any changes to the contract in writing. Make sure the contractor name, CCB number, and contact information are included on any written documents related to your project.
 - Bids - Do not automatically accept the lowest bid - A low bid may make it necessary for the contractor to use lower quality materials and to cut corners in workmanship.
 - Contracts and Change Orders - Always get it in writing. Your contractor is required to provide a written contract if the contract price is more than \$2000. The CCB recommends that all contracts be in writing.
 - Make sure the contractor's name, CCB number, and contact information is included in the contract.
 - For your protection - Contracts should be as detailed as possible. Some items to include are materials and costs, permits, estimated start and completion dates, debris removal, and arbitration clauses.
 - Read and understand your contract before signing it - Don't be pressured into signing your contract without taking the time needed to go through it. Make sure it includes enough details to avoid misunderstandings and to protect you and your property.
3. Additional contract information you should know:
 - A Payment Schedule - should be included in the contract. Stick to the schedule and never pay in full for a project before the work is complete.
 - Special Note on Liens - Subcontractors and material suppliers that work on your project are often paid by the general contractor. If a general contractor fails to pay, the subcontractor may file a lien on your property. For information on construction liens, visit the CCB's Consumer Help Page at www.oregon.gov/ccb, or contact an attorney.
4. If you should have a problem with your contractor - You can file a complaint with the CCB against a licensed contractor within one year of the substantial completion of work on your project. Contact the CCB office at 503-378-4621 for help.

CONTRACTOR: CCB#: 1417396

Bence BK 5/26/14
Signature Date

PROPERTY OWNER:

Allen Sprunger 6-19-14
Signature Date



Notice of Procedure Regarding Residential Construction Arbitrations and Lawsuits

(ORS 701.330 (2))

Oregon law contains important requirements that homeowners must follow before starting an arbitration or court action against any contractor, subcontractor, or supplier (materials or equipment) for construction defects.

Before you start an arbitration or court action, you must do the following:

1. Deliver a written notice of any conditions that you believe are defective to the contractor, subcontractor, or supplier that you believe is responsible for the alleged defect.
2. Allow the contractor, subcontractor, supplier, or its agent, to visually inspect the possible defects and also allow the contractor, subcontractor, or supplier to do reasonable testing.
3. Provide the contractor, subcontractor, supplier, or its agent, the opportunity to make an offer to repair or pay for the defects. You are not obligated to accept any offer made.

There are strict procedures and deadlines that must be followed under Oregon law. Failure to follow those procedures or meet those deadlines will affect your right to start an arbitration or court action.

You should contact an attorney for information on the procedures and deadlines required under Oregon law.

Your contractor is supplying this notice to you as required by Oregon law.

CONTRACTOR: CCB# 147396

HOMEOWNER:

Integrity Builders, Inc.
Print Contractor Name (as it appears on contract)

Yamhill County
Print Homeowner Name (as it appears on contract)

[Signature] 5/26/14
Signature of Authorized Representative Date

[Signature] 6-19-14
Signature Date



Information Notice To Owner About Construction Liens

(ORS 87.093)

This is not a lien. Your contractor is required by law to provide this notice to inform you about construction lien laws. This notice explains the construction lien law, and gives steps you can take to protect your property from a valid lien. As an owner, you should read this information notice carefully. This information notice is required to be given if you contract for residential construction or remodeling, if you are buying a new home, or at any time the contract price exceeds \$1,000.

- Under Oregon law, your contractor and others who provide labor, materials, equipment, or services to your project may be able to claim payment from your property if they have not been paid. That claim is called a Construction Lien.
- If your contractor does not pay subcontractors, employees, rental equipment dealers, materials suppliers, or does not make other legally required payments, those who are owed money may place a lien against your property for payment. It is in your best interest to verify that all bills related to your contract are paid, even if you have paid your contractor in full.
- If you occupy or will occupy your home, persons who supply materials, labor, equipment, or services ordered by your contractor are permitted by law to file a lien against your property only if they have sent you a timely Notice of Right to Lien (which is different from this Information Notice), before or during construction. If you enter into a contract to buy a newly-built, partially-built, or newly-remodeled home, a lien may be claimed even though you have not received a Notice of Right to a Lien. If you do not occupy the building, a Notice of Right to Lien is not required prior to filing a lien.

This notice is not intended to be a complete analysis of the law. You should consult an attorney for more information.

Common Questions and Answers About Construction Liens

Can someone record a construction lien even if I pay my contractor? Yes. Anyone who has not been paid for labor, material, equipment, or services on your project and has provided you with a valid Notice of Right to Lien has the right to record a construction lien.

What is a Notice of Right to Lien? A Notice of a Right to Lien is sent to you by persons who have provided labor, materials, or equipment to your construction project. It protects their construction lien rights against your property.

What should I do when I receive a Notice of Right to Lien? Don't ignore it. Find out what arrangements your contractor has made to pay the sender of the Notice of Right to Lien.

When do construction liens need to be recorded? In Oregon, construction liens generally need to be recorded within 75 days from the date the project was substantially completed, or 75 days from the date that the lien claimant stopped providing labor, material, equipment, or services, whichever happened first. To enforce a lien, the lien holder must file a lawsuit in a proper court within 120 days of the date the lien was filed.

Note to Contractor: This notice must be delivered personally, or mailed by registered mail, certified mail, or by first-class mail with a certificate of mailing. Ask the signing parties to provide you with an original or copy to retain in your files. You should retain proof of delivery of this notice for at least two years.

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Steps That Consumers Can Take to Protect Themselves

- **Contact the Construction Contractors Board (CCB) and confirm that your contractor is licensed.** The law requires all construction contractors to be licensed with the CCB. Check a contractor's license online at the CCB consumer website: www.hirealicensedcontractor.com, or call 503-378-4621.
- **Review the Consumer Protection Notice (ORS 701.330(1)),** which your contractor must provide to you at the time of contract on a residential structure.
- **Consider using the services of an escrow agent to protect your interests.** Consult your attorney to find out whether your escrow agent will protect you against liens when making payments.
- **Contact a title company about obtaining a title policy that will protect you from construction lien claims.**
- **Find out what precautions, if any, will be taken by your contractor, lending institution, and architect to protect your project from construction liens.**
- **Ask the contractor to get lien waivers or lien releases from every subcontractor, materials provider, equipment provider, and anyone else the contractor is responsible for paying.** Do this before you give your contractor a progress payment.
- **Have a written contract with your contractor.** A written contract is required for projects greater than \$2,000. An original contractor that fails to provide a written contract as required by law, may not place a construction lien against the owner's property.
- **If you receive a Notice of Right to Lien, ask for a statement of the reasonable value of the materials, labor, equipment, or services provided to your project from everyone who sends you a Notice of Right to Lien.** If the information is not provided in a timely manner, the sender of the Notice of Right to Lien may still be able to file a construction lien, but will not be entitled to attorney fees.
- **When you pay your contractor, write checks made jointly payable to the contractor, subcontractors, materials, equipment, or services providers.** The checks name both the contractor and the subcontractor, materials or equipment provider. The checks can only be cashed if both the contractor and the subcontractor, materials or equipment provider endorses it. This ensures that the subcontractor and other providers will be paid by your contractor, and can eliminate the risk of a lien on your property.
- **Should you have a dispute with your contractor, you may be able to file a complaint with the CCB and be reimbursed in whole or in part from the contractor's bond.** For more details about help available through the agency, write to the CCB at PO Box 14140, Salem, OR 97309-5052 or call 503-378-4621.
- **Consult an attorney.** If you do not have an attorney, consider contacting the Oregon State Bar Referral Service at 503-684-3763 or 1-800-452-7636.

Signing this Information Notice verifies only that you have received it. Your signature does not give your contractor or those who provide material, labor, equipment, or services, any additional rights to place a lien on your property.

Job Site Address: 8825 SE Morgan Ln, McMinnville OR 97128

CONTRACTOR: CCB# 147396

PROPERTY OWNER: Yamhill County

Integrity Builders Inc
Print Name (as it appears on contract)

Yamhill County
Print Name (as it appears on contract)

[Signature] 5/26/14
Signature Date

[Signature] 6-19-14
Signature Date

Information notice form 12-29-07

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Exhibit A

SUPPLEMENTAL TERMS AND CONDITIONS

Incorporation of statutory provisions required for public contracts. The Contractor certifies it shall comply with all applicable public contract laws to include ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.530. ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.530 are incorporated into this Agreement by reference.

Workers' compensation. The Contractor, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

Certification of compliance with tax laws. The Contractor certifies, under penalty of perjury, that the Contractor is not in violation of any Oregon tax laws.

Prohibition of Discrimination. In hiring employees for performance of Work under this Agreement, no contractor, subcontractor or any person acting on their behalf (including Contractor) shall by reason of race, religion, age, color, creed, physical handicap or sex discriminate against a person who is qualified and available to perform work to which employment relates.

Risk of Loss. The risk of loss or damage to the subject matter of this Agreement arising from Contractor's willful or negligent activity, shall be upon the Contractor until such time as the Owner has accepted the Work and provided Project Acceptance documentation as provided in this Agreement.

INDEMNIFICATION. CONTRACTOR SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS OWNER FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, DEMANDS, CLAIMS, LIABILITIES, FINES, PENALTIES, LOSSES, INJURIES, DAMAGES, EXPENSES OR COSTS, INCLUDING INTEREST AND ATTORNEY FEES, IN ANY WAY CONNECTED WITH ANY INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY OCCASIONED IN ANY WAY BY CONTRACTOR'S OR

Nonwaiver. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law. The failure of Owner to enforce at any time any of the terms of this Agreement, or to exercise any option which is provided, or to require at any time performance by Contractor of any of the provisions, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of any part of this Agreement, or the right of Owner to thereafter enforce each and every provision.

Severability. Should any clause or section of this Agreement be declared by court to be void or voidable, the remainder of this Agreement shall remain in full force and effect.

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Termination for Convenience. Owner may terminate this Agreement in whole or in part whenever Owner determines that such termination is in Owner's best interest. Any such termination shall be effective on delivery to Contractor of written notice of termination specifying the date of such termination. If such termination for convenience takes place after the beginning of Work, Owner shall pay Contractor, in full settlement of all claims by it hereunder, such proportion of the Contract Price as the sum of the Work actually completed bears to the entire work, less any payments previously made to Contractor. If payments previously made to Contractor exceed the amount Contractor is entitled to receive pursuant to this Section, Contractor shall immediately repay Owner the difference.

Termination for Cause. Owner shall have the right to terminate this Agreement in its entirety by giving written notice to Contractor if: (i) Contractor is adjudged bankrupt; (ii) Contractor makes a general assignment for the benefit of its creditors; (iii) a receiver should be appointed because of Contractor's insolvency; or (iv) Contractor should otherwise be in material violation of this Agreement. If Owner terminates for cause pursuant to this Section, Owner shall retain any other right or remedy which Owner has against Contractor. If Owner terminates this Agreement for cause pursuant to this Section, Contractor shall not be entitled to any further payment from Owner until the Work is completed and Owner determines the extent of any damage caused by Contractor's default. If the Work is completed and such expense exceeds the unpaid balance of the Contract Price, Contractor shall pay the difference to Owner, however Owner shall have no obligation to complete the Work as specified above.

Attorney fees and costs. In the event that either party to this Agreement shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this Agreement, each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

Applicable laws. This Agreement is executed in the State of Oregon and is subject to Oregon law and jurisdiction in Yamhill County.

Subcontractors and Successors bound. Contractor covenants and agrees to bind any and all Subcontractor(s) for performance of work under this Agreement. Any reference to Contractor shall include any and all Subcontractor(s) ad infinitum. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

THIS AGREEMENT AND THE CONTRACT DOCUMENTS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE IN TERMS OF THIS CONTRACT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY FOR THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS OR REPRESENTATIONS, ORAL OR WRITTEN NOTICE SPECIFIED HEREIN REGARDING THIS AGREEMENT. THE CONTRACTOR, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

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