

**CONTRACT**

*With*

*Sample Client*

*for*

*Improvements to their residence*

This agreement shall be governed by the laws of the state of Oregon.

This is a contract between James Beane for Cascade Remodeling Inc. (contractor) and Sample Client (owner/s) for work on their house located at 1234 SE Main Street , Portland Oregon, 97202. The work is described in the plans, estimate, and specs, which follow; but primarily consist of a kitchen remodel and exterior improvements. The total cost of the work to be performed will be \$58,238.00 subject to change orders, extras, or additions.

**CHANGES:** The owners or contractor may make changes in the contract only with **WRITTEN** approval and acceptance by all. The changes will be requested on the "*Change Order*" forms supplied by the contractor.

**TIME:** This project will commence on September 1st and will take approximately 8 weeks to complete. If the contractor is delayed in the progress of the work by an act of neglect of the owner, architect, or changes in the work, or by labor disputes, fire, weather, unusual delay in transportation, or due to unavoidable causes beyond the contractor's control, or by any other cause which justifies the delay, the time of completion shall be extended for a reasonable time. The time may also be extended for the benefit of the owner, if such extension is reasonable, necessary, and will not work a hardship on the contractor. Time is of the essence as to the performance of this contract.

**PAYMENTS:** The total cost of this contract is \$58,238.00, which will be paid by the owners. There will be a 10% down payment of \$5823.00 and progress payments, reviewed by the owner and/or architect as follows:

- A) Draws against the construction completed will be presented for payment between the 1st and the 5th of each month. The owner/architect will make an inspection and approve the draw request.
- B) Upon approval of the draw request the owner will furnish a check to the contractor no later than the 9th of the month.
- C) Upon substantial completion the owner and the contractor will do a final inspection and walk through for the purpose of establishing a list of items, which need to be completed or repaired prior to final payment. Once complete, the final payment will be made to the contractor.

**LIENS:** Lien release forms will be furnished to the owners for the work performed or material supplied by contractors or sub-contractors, only if requested by the owners. The contractor will indemnify the owners against any losses arising from claims of materials, supplies, or labor relating to this construction project.

**USE OF PREMISES:** The owner will permit the contractor the use, at no cost to the contractor, existing utilities such as lights, heat, power, and water necessary to the carrying out and completion of the work.

**PROTECTION OF WORK AND PROPERTY:** The contractor shall protect all his work and the owner's property from injury or loss arising in connection with the contract and its performance. The contractor will correct and pay all costs associated with any such damage, injury or loss, unless caused by the owner, or due to causes which are not the fault of the contractor or are beyond his control.

**CONTRACTOR'S LIABILITY INSURANCE:** In compliance with the appropriate provisions of the Oregon revised Statutes, the contractor shall have purchased and maintained such public liability and property damage insurance that will protect him from claims which may arise out of the result from the Contractors operations under this agreement, whether such operations be by himself, by any subcontractor, or by anyone directly or indirectly employed by any of them.

It will be the owner's responsibility to maintain adequate homeowners insurance for the increased value of the project.

**WARRANTY:** The contractor will warrant all contract work and materials and agrees to correct any defects due to faulty materials or workmanship and pay for any damage to other work resulting therefrom, for a period of one year from the date of completion. The owner will give notice of observed defects with reasonable promptness.

**DISPUTE RESOLUTION:** At the request of either party the architect will assist in resolving disputes between the owner and contractor relating to the work or documents. If the architect determines, after attempting resolution, that a dispute is unresolvable without direct third party intervention, the parties may seek their respective representatives who will attempt an arbitration, which if unsuccessful, will allow the representatives to select a common third party and submit to binding arbitration.

**PERFORMANCE STANDARDS AND REQUIREMENTS:** It is recognized that the work to be done under this contract is remodeling work on a structure which is not new and which has existing or incipient code violations. Application of the following standards are, therefore, are to be adhered to as much as is reasonably practical.

Specifications of materials by brand name establish standards of quality, for which substitution of materials equal in like quality and utility may be made subject to the owner's approval. Similarly, standards of workmanship establish standards of quality, which in the case of remodeling, may be met or exceeded by other standards if workmanship is equal in quality and utility.

For example, where a structure is out of plumb to the ground or internally, it may be better workmanship in an appropriate case that new construction is done true to the existing structure or affected part, rather than to the earth. The intent of these performance requirements and standards is to avoid economic waste, which in certain cases may be created by blind adherence to the standards of workmanship set out in this contract.

\_\_\_\_\_  
James Beane (contractor)

\_\_\_\_\_  
date

\_\_\_\_\_  
Sample Client (owner)

\_\_\_\_\_  
date

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