

## PROFESSIONAL SERVICES AGREEMENT

This Construction Services Agreement (this "Agreement") is made and entered into effective September 21, 2023 (the "Effective Date") between Grant School District 3 ("Owner"), an Oregon special district, whose address is 401 N Canyon City Blvd, Canyon City, OR 97820 and Strong Contracting ("Contractor"), an Oregon business corporation, whose address is 27783 Bumpy Road, John Day, Oregon 97845.

### RECITALS:

A. Contractor is a licensed Oregon general contractor engaged in the business of providing labor, materials, equipment, supplies, and related carpentry and general construction services on a contract basis. Contractor's Oregon CCB License No. is 232032 and Contractor's telephone number is (541) 792-0243.

B. Owner desires to make certain improvements on or about that certain real property associated with Grant Jr./Sr. High School located at 911 S. Canyon Blvd, John Day, Oregon (the "Property"). Owner and Contractor desire to enter into this Agreement pursuant to which Contractor will undertake and perform certain construction services concerning or related to the Property.

C. This Project will be partially funded with Federal funds from The American Rescue Plan Act, 2021 (ARP Act or ARPA) Elementary and Secondary School Emergency Relief Fund III (ESSER III or ARP ESSER) and therefore is subject to Federal laws and regulations associated with that program. Performance of the services may also be subject to the provisions of ORS 279C.800 through 279C.870, relative to Prevailing Wage Rates, as outlined in Sections C.1, C.2 and G.2.3 of the General Conditions.

### AGREEMENT:

NOW, THEREFORE, for and in consideration of the parties' mutual obligations under this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### 1. CONSTRUCTION WORK; COMPENSATION

1.1 Description of Work. Contractor will perform and complete the following construction design and related services for and on behalf of Owner concerning or related to the Property (collectively, the "Work"): (a) planning, design, and construction (and all related work) for conversion of an existing library and office space to a student commons, as further described in the plans and specifications included on the attached Exhibit A.1 and the project component matrix on the attached Exhibit A.2; and (b) all other work identified in the attached Exhibit A.1 and Exhibit A.2 and all necessary or appropriate services customarily provided by Contractor in connection with its performance of the services set forth in this Agreement. Contractor will complete the Work subject to the terms and conditions contained in this Agreement.

1.2 Schedule of Work. Timely and proper completion of the Work is of the essence to this Agreement. Contractor will commence performance of the Work promptly after Owner issues Contractor written notice to proceed. Contractor will prosecute completion of the Work diligently and continuously. The Work will be Completed (as defined below) no later than August 31<sup>st</sup> (the "Completion Date"). For the purposes of this Agreement, the term "Completion" or "Completed" means when Owner determines, in its sole discretion, that the Work is complete in accordance with this Agreement.

1.3 Compensation. Subject to the terms and conditions contained in this Agreement, in consideration of Contractor's timely completion of the Work in accordance with this Agreement, Owner will pay Contractor in accordance with the Fee Schedule on the attached Exhibit B. Contractor will submit a monthly invoice to Owner concerning the Work (the "Invoice"). Owner will pay the amount due under the Invoice within thirty (30) days after Owner has reviewed and approved the Work. Owner's payment will be accepted by

Contractor as full compensation for completing the Work. No compensation will be paid by Owner for any portion of the Work not completed in accordance with this Agreement. Owner will not provide any benefits to Contractor, and Contractor will be solely responsible for obtaining Contractor's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Notwithstanding anything contained in this Agreement to the contrary, Owner's performance of its obligations under this Agreement is conditioned on Contractor's performance of its obligations under this Agreement, including, without limitation, those Contractor obligations described under Section 1.1 and Section 2.1. Total compensation payable under this Agreement shall not exceed \$100,000 without prior written approval by Owner.

## 2. CONTRACTOR DUTIES, RESPONSIBILITIES, REPRESENTATIONS, AND WARRANTIES

In addition to any other Contractor representation, warranty, and/or covenant contained in this Agreement, Contractor represents, warrants, and covenants to Owner the following:

2.1 General Duties. Contractor will perform and complete the following at Contractor's cost and expense: (a) furnish all labor, materials, equipment, tools, supplies, and services necessary or appropriate to complete the Work; (b) perform the Work in a good and workmanlike manner; (c) obtain and pay for all licenses, inspections, and permits required by any private and/or public authority in connection with the Work; (d) perform and complete the Work in compliance with all applicable laws, ordinances, rules, regulations, and orders of any public, private, and/or governmental entity having jurisdiction over the Property and/or the Work; (e) properly manage and dispose of all waste, trash, and debris, including, without limitation, sediment, paint, cement wash, asphalt, motor oil, and grease, in accordance with all applicable laws and regulations; (f) be responsible to Owner for the acts and omissions of Contractor and/or Contractor's Representatives (as defined below); (g) not cause and/or permit any hazardous substances to be spilled, leaked, disposed of, and/or otherwise released in, on, under, and/or about the Property and/or any surrounding areas; and (h) obtain and maintain all licenses, permits, registrations, and other governmental authorizations required to conduct Contractor's business and perform the Work. Contractor will maintain proper licensure with the Oregon Construction Contractors Board and maintain proper insurance and bonding as required under this Agreement. For purposes of this Agreement, the term "Contractor's Representative(s)" means each present and future Contractor employee, representative, subcontractor, and/or agent. Contractor will pay when due all charges for labor and materials incurred by Contractor used in completion of the Work, and will be responsible for keeping the Property free of all liens or other claims related to the Work.

2.2 Independent Contractor; Independent Investigation. Contractor is an independent contractor and not an employee of Owner. Contractor will be free from direction and control over the means and manner of performing the Work, subject only to the right of Owner to specify the desired results. Owner will not withhold any taxes from any payments made to Contractor, and Contractor will be solely responsible for paying all taxes arising out of or resulting from performance of the Work, including, without limitation, income, social security, workers' compensation, and employment insurance taxes. Contractor has visited, reviewed, and evaluated the Property (and all surrounding areas) and is satisfied with the nature and condition of the Property (and all surrounding areas) and the general and local conditions, including, without limitation, those bearing upon building materials, disposal, availability of labor, uncertainties of weather, and any other conditions concerning the Property (and all surrounding areas) and/or the Work, and warrants that the consideration for the Work is reasonable in light of such conditions.

2.3 Limited Warranty. Contractor guarantees and warrants the Work against all deficiencies and/or defects in materials, equipment, and workmanship for a period of one year, commencing from the date Owner determines the Work is Completed. If Owner discovers a deficiency and/or defect in the Work, Contractor will commence repair or correction of the deficiency or defect within forty-eight (48) hours after Owner's written notice. Contractor will complete all warranty work diligently and expeditiously until completion (and without cost and/or interruption to Owner). If Contractor fails to promptly complete the warranty work, Owner may employ a third party to complete the warranty work. All costs and expenses incurred by Owner to complete the warranty work will be reimbursed by Contractor immediately on Owner's written demand. Contractor warrants and

guarantees all repair work for one year, commencing on the date the warranty work is completed to Owner's satisfaction. Contractor's warranty provided under this Section 2.3 is in addition to, and not in limitation of, all other representations, warranties, guarantees, and remedies provided under this Agreement.

### 3. INSURANCE AND INDEMNIFICATION

3.1 Insurance. Contractor will maintain public liability and property damage insurance against death or injury to persons and physical loss or damage to property, which insurance will include perils of fire, theft, vandalism, Acts of God, and malicious mischief; the insurance will include coverage for contractual liability and "products-completed operations" that will apply for a period of two years from the date the Work is determined Completed. The insurance required under the immediately preceding sentence will be in the form of general liability and property damage insurance (occurrence version) against personal injury claims arising out of Contractor's activities on, or any condition of, the Building with limits of no less than \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate. Contractor will obtain and maintain the following insurance: (a) commercial automobile insurance with limits of no less than \$500,000 combined single limit or split limits of \$250,000 per person, \$500,000 per occurrence and \$250,000 property damage, for any and all automobiles used in the prosecution of the Work; and (b) workers' compensation insurance in form and amount sufficient to satisfy the requirements of applicable Oregon law. Each liability insurance policy will be in form and content satisfactory to Owner and will contain a severability of interest clause. By separate endorsement, each liability insurance policy will name Owner and Owner's Representatives as additional insureds. Contractor's insurance will be primary, and any insurance carried by Owner will be excess and noncontributing. Contractor will provide evidence of the insurance coverage (including applicable endorsements) required to be maintained by Contractor under this Section 3.1 prior to commencement of the Work and upon Owner's demand. All policies of insurance Contractor is required to carry under this Agreement will provide that the insurer waives the right of subrogation against Owner. For purposes of this Agreement, the term "Owner's Representative(s)" means each present and future Owner officer, employee, representative, contractor, and/or agent.

3.2 Indemnification. Contractor releases and will defend, indemnify, and hold Owner and Owner's Representatives for, from, and against any and all claims, actions, proceedings, damages, liabilities, judgments, penalties, fines, costs, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of, whether directly or indirectly, completion of the Work and/or Contractor's breach and/or failure to perform any representation, warranty, covenant, and/or obligation contained in this Agreement. Contractor's indemnification obligations provided in this Section 3.2 will survive the termination of this Agreement.

### 4. TERMINATION AND DAMAGES

4.1 Termination. Owner may terminate this Agreement (and Contractor's completion of the Work) immediately upon written notice to Contractor if Owner determines that Owner's legal authority to access the Property and perform the Work is restricted, limited, and/or prohibited by law or otherwise. If Contractor (a) fails to timely prosecute the Work continuously with sufficient laborers and equipment to ensure its completion by the Completion Date, (b) fails to complete the Work in accordance with this Agreement, (c) fails to pay its obligations as and when they become due, (d) breaches and/or otherwise fails to perform any Contractor representation, warranty, covenant, and/or obligation contained in this Agreement, and/or (e) gives Owner cause to doubt Contractor's ability to timely, fully, and properly complete the Work (or any other obligation hereunder), such act(s) or omission(s) will constitute a default by Contractor under this Agreement. Owner may terminate this Agreement immediately on written notice to Contractor if Owner determines in its sole discretion that Contractor is in default under this Agreement as provided under this Section 4.1.

4.2 Damages. If Owner terminates this Agreement under Section 4.1, Owner may take over the prosecution of all or any portion of the Work and may complete it with its own forces or otherwise, or use such other measures as in Owner's sole discretion are necessary or appropriate to prevent delay or damages. Completion of the Work, or any portion thereof, will not constitute a forfeiture of Owner's right to recover

damages from Contractor for Contractor's delay or failure to complete the Work. Upon Owner's termination of this Agreement, Owner will reimburse Contractor for any unpaid labor and materials and for Contractor's reasonable overhead and profit earned through the date of termination for Work Contractor has completed (to Owner's satisfaction) through the date of termination, subject to reasonable retainage to allow Owner to correct any deficiencies in Contractor's performance of the Work. Owner's decision to terminate this Agreement will not constitute Owner's sole remedy; rather, Owner will have all remedies available to Owner under this Agreement and at law or in equity.

## 5. MISCELLANEOUS

5.1 Costs; Attorney Fees. Contractor will bear Contractor's own fees, costs, and expenses incurred in connection with this Agreement. If any arbitration, action, suit, and/or proceeding is instituted to interpret, enforce, and/or rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

5.2 Time of Essence; Notices. Time is of the essence with respect to all dates and time periods in this Agreement. Any notice required under this Agreement must be in writing. All notices required under this Agreement must be in writing. Any notice will be deemed given when personally delivered or delivered by email or facsimile transmission (with electronic confirmation of delivery), or will be deemed given three days following delivery of the notice by U.S. mail, postage prepaid, certified, return receipt requested, by the applicable party to the address of the other party first shown above (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed given on the next following business day.

5.3 Amendment; Waiver; Severability; Governing Law. This Agreement may be amended only by a written document signed by both parties. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon.

5.4 Further Assurances; Termination; Survival. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. The termination of this Agreement, regardless of how it occurs, will not relieve a party of obligations that have accrued before the termination. All provisions of this Agreement that would reasonably be expected to survive the termination of this Agreement will do so, including, without limitation, the indemnification obligations under Section 3.2 and the warranty obligations under Section 2.3. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.

5.5 Entire Agreement; Interpretation; Discretion. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes,"

and “including” are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. For purposes of this Agreement, the term “person” means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. When Owner is exercising any consent, approval, determination, and/or similar discretionary action under this Agreement, the standard will be Owner’s sole discretion.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed and effective for all purposes as of the Effective Date.

OWNER:  
Grant School District 3  
an Oregon special district

CONTRACTOR:  
Strong Contracting  
an Oregon business corporation

\_\_\_\_\_  
By: Mark Witty, Superintendent

\_\_\_\_\_  
By: Mike Strong, Owner

DRAFT

Exhibit A.1

Plans and  
Specifications

[enclosed]

DRAFT

Exhibit A.2

Project Component  
Matrix

[enclosed]

DRAFT

Exhibit B  
Fee Schedule and Proposal

Contractor shall provide the construction services at an hourly rate of \$\_\_\_\_\_.

Contractor shall purchase materials at cost, subject to prior written approval by District for any purchases that exceed \$2,500, with a \_\_\_\_\_% markup for contractor-purchased materials.

No markup shall be added for equipment or materials furnished by others.

DRAFT