

**STANDARD CONTRACTOR/SUBCONTRACTOR AGREEMENT  
LABOR AND MATERIALS  
Prepared by Ben Jackson Community Enhancement Group, (CEG)**

**THIS CONTRACT ASSIGNMENT** is made this 24th<sup>day</sup> of August, 2017 by and between **Community Enhancement Group**, hereinafter called the **Owner** and **MORRIS CONSTRUCTION** hereinafter called the General Contractor and/or Construction Manager.

Whereas, the General Contractor, **DOMIONIARE**, entered into a contract dated 4/5/2015 with Community Enhancement Group, 774 University Avenue, St. Paul MN 55104 for the remodel/rehab, including new addition of 544 Minnehaha, St. Paul, MN 55103 **Owner** hereby approves of the assignment of the remainder of said contract to **MORRIS CONSTRUCTION** at the same terms and conditions.

**RECITALS**

WHEREAS, Owner and General Contractor wish to engage in a business relationship for their mutual benefit;

WHEREAS, Owner and General Contractor wish to memorialize this business relationship with an agreement which will govern over the course of multiple construction projects; and

WHEREAS, Owner and General Contractor intend that this Agreement will control and supersede any prior written or oral agreements or understandings.

NOW, THEREFORE, Owner and General Contractor, in consideration of the following mutual promises and other good and valuable consideration, the receipt of which is hereby acknowledged, do agree as follows:

**1. Compensation:** Compensation to General Contractor shall be based upon:

General Contractor has provided the Owner, Community Enhancement Group with a written bid for the job based upon the plans and specifications or other descriptions of the work to be performed. The written bid, is accepted by CEG and shall become a part of and be incorporated into this Agreement, except that this Agreement shall supersede and control over any contrary or inconsistent provisions contained in the written bid.

*PROJECT LOCATION:* 544 Minnehaha Avenue, St. Paul, MN 55103

*PROJECT:* General Contractor (GC)/Construction Management (CM) Services for Rehab and Code compliance of 544 Minnehaha Avenue

*PROJECT COST:* \$190,000.00 covers all cost for mobilization, labor and materials, applicable permits, taxes and insurances including General Contractor and Construction Management fees remaining of **(\$20,000.00)** as compensation to **MORRIS CONSTRUCTION** for assumption of Dominioniare's contract at the same terms and conditions.

*PROJECT SCOPE OF WORK:*

- The GC/CM

1. Payment: Contractor shall pay the subcontractor upon inspection of a project on progress basis (Progress payment).

Mobilization will not be given to the subcontractor before the start of work. Billing and payment will be made in payment draws with invoices submitted to the General contractor not later than 25<sup>th</sup> of each month. Failure to submit invoice for payment on the 25<sup>th</sup> of each month will result to the Subcontractor waiting for the next billing period for payment draws.

Upon the approval and receipt of payment from the Owner by the General Contractor

2. Insurance and Bonds: Subcontractor shall purchase and maintain insurance of the following types of coverage and limits and liability at state statutes:

General Liability (each occurrence)	\$1,500,000
Personal and ADV Injury	\$1,500,000
General Aggregate	\$1,500,000
Products – Comp/Op AGG	\$1,500,000

Cover ages, whether written on an occurrence basis, shall be maintained without interruption from date of commencement of the Subcontractor's work until date of final payment and termination of any coverage required to be maintained after final payment made to the Subcontractor.

Certificates of insurance acceptable to the Contractor shall be filled with the Contractor prior to commencement of the Contractor's work. These certificates and the insurance policies required by this Article shall contain a provision that coverage afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given the Owner. The Owner shall be listed with the Contractor's insurance company as a certificate holder and shall be notified of the Owner as an additional insured on their insurance policy. By signing below Contractor agrees to all of the above articles.

3. Indemnification: To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Owner's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the General Contractor's and Subcontractor's work under this subcontract, provided that any such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible property (other than the work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, the Contractor's Subcontractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage loss or expense is caused in part by a party indemnified hereunder. Such obligations of indemnity which otherwise exist as to a party or person described in this paragraph.

4. Independent Contractor: Contractor is an independent contractor and not an employee of Community Enhancement Group. Contractor agree as follows:

- a. Separate Business Office: Contractor maintains a separate office with its own equipment, materials and other facilities;
- b. Federal Identification Number: Contractor's federal identification, if applicable, number is: \_\_\_\_\_ ; Contractor has filed business or self-employment income tax returns with the IRS based on that work or service in the previous year.

- c. Contractor Control: Contractor controls the means of performing the services or work which it performs on behalf of Owner and is paid a specific amount of money for specific services or work as described under this Agreement.
  - d. Expenses: Owner is responsible for the payment of all expenses related to the services or work that it performs on behalf of Owner;
  - e. Completion of Work: General Contractor is responsible for completing the work or services under this Agreement in a professional and workmanlike manner. GC is responsible for completing the work and will be liable for any failure to complete the work, as hereinafter provided;
  - f. Compensation: The compensation for Contractor's work or services is as described above, and is determined on a commission or per-job or competitive-bid basis and not on any other basis;
  - g. Profit or Loss: Contractor will realize a profit or loss under this Agreement with Contractor depending upon its performance;
  - h. Business Obligations: Contractor represents to Owner that it has continuing or reoccurring business liabilities and obligations; and
  - i. Success of Business: Contractor acknowledges that the success or failure of its business depends upon its relationship of business receipts to expenditures, and that it is in no way guaranteed continuing work with Owner.
5. Change Orders: Contractor agree that Contractor shall not be liable for any amount greater than the amount set out in Contractor's written proposal. In the event Contractor's scope of work is decreased or increased, such change shall be evidenced by a written change order, and the increase or decrease in Contractor's bid shall be set out in the change order. Contractor agrees that it will not take direction or requests from Contractor's customers, will not agree to any additional work, or incur any additional expenses requested by customer unless approved by Contractor through a signed change order. Contractor shall not be liable for any labor, materials, expenses, services or other items which Subcontractor provides or agrees to provide to Contractor's customer without Contractor's prior written consent.
6. Warranties: Contractor hereby warrants that all workmanship performed and materials supplied by Contractor shall be free from defects caused by faulty workmanship and defective materials for a period of one year from the warranty date. Contractor also warrants that, if applicable, all installation of plumbing, electrical, heating and cooling systems shall be free from defects for a period of two years from the warranty date. Contractor also warrants that, if applicable, all workmanship and materials shall be free from major construction defects, as that term is defined by Minn. Stat. Chapter 327A. The "warranty date" shall be the earlier of the date on which the buyer takes occupancy of the property or the date on which the Buyer takes legal or equitable title to the property, whichever is first to occur. Contractor also warrants that all workmanship performed and materials supplied by Contractor shall comply with all applicable laws, regulations and ordinances, including, but not limited to, applicable building and energy codes. All warranties shall survive the termination of this Agreement and the closing on the sale of the new home. Contractor agrees to provide warranty work free of charge to Contractor and on a timely basis.
7. Default: If Contractor fails to timely complete its work, Owner shall have the right, upon written notice to Contractor, to terminate this Agreement. Upon receipt of written notice, Contractor shall cease all further activity on the project. Owner shall have the right to hire other contractors to complete the work, and all costs associated with completing Contractor's work shall be deducted from the amount due Contractor. Contractor shall be liable to Owner for any consequential or other damages incurred by Owner as a result of Contractor's nonperformance.
8. Arbitration: Owner and Contractor agree to resolve all disputes arising out of or relating to this Agreement, or to their business relationship through binding arbitration under the Construction Industry Arbitration Rules of the American Arbitration Association.
9. Workers' Compensation/ Unemployment Insurance: Contractor shall maintain in force throughout the period of time it is performing any work for Owner, workers' compensation and unemployment insurance coverage in

such amounts and upon such terms as is required by law. Contractor shall provide to Contractor a certificate of insurance evidencing the workers' compensation and unemployment insurance coverage.

10. Drug/Alcohol Use: Contractor will ensure that Subcontractor, its employees, sub-subcontractors and others within Contractor's control, who are present on the job site will be free of alcohol and other mind-altering substances, including all controlled substances.
11. Safety Practices: Contractor will comply with standard safety practices and any OSHA requirements applicable to Contractor's work. Any OSHA fines based upon Contractor's safety violations which are assessed against Owner shall be offset against any amounts due Contractor.
12. Choice of Law: This Agreement shall be governed by and construed under the laws of the State of Minnesota.
13. Binding Effect: This Agreement shall bind the parties hereto, their successive, heirs, successors and assigns.
14. Non-Assignment: This Agreement may not be assigned by Contractor without the express written consent of Owner.

Any changes made will be reviewed and approved by Community Enhancement Group, LLC.

Community Enhancement Group LLC /Owner

By: Benjamin Jackson



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Its: President

Date: 8/24/2017