

Construction Contract

This agreement is made by Larkins Construction, INC (Contractor) and Hassan Mohamud and Asha Hassan (Owner) on the date written beside our signatures.

Contractor

Larkins Construction, INC

3001 Thomas Ave N

Minneapolis, Minnesota 55411

Cell Phone Number: 612-222-2559

Email Address: demetrius.larkins@yahoo.com

License Number: BC664390

Larkins Construction, INC is incorporated in the state of Minnesota.

Larkins Construction, INC will be referred to as Contractor throughout this agreement.

Owner

Hassan Mohamud and Asha Hassan

489 Sherburne Ave

St. Paul, Minnesota

Cell Phone Number: 612-229-9483

Hassan Mohamud and Asha Hassan will be referred to as Owner throughout this agreement.

The Construction Site

489 Sherburne Ave

St. Paul, Minnesota

I. Project Description

A. For a price identified below, Contractor agrees to complete for Owner the Work identified in this agreement as the Home Remodel.

II. Contract Price

A. In addition to any other charges specified in this agreement, Owner agrees to pay Contractor \$117,500.00 for completing the Work described as the Home Remodel.

III. Scheduled Start of Construction

A. Work under this agreement will begin when convenient for both Owner and Contractor.

IV. Scheduled Completion of Construction

A. Work under this agreement will be completed ~~in a reasonable time consistent with the schedule of Contractor and Owner~~ on March 15, 2020. (HM) (D.L)

V. Documents Incorporated

A. This agreement incorporates by reference certain documents which define and describe the Work to be done. The following documents are incorporated as though included in full as part of this agreement.

1. Proposal (Estimate or Bid)

Proposal (Estimate or Bid) dated 11/21/2019.

Consisting of 3 sheet(s).

For the amount of \$117,500.00.

Entitled Home Remodel Proposal.

Other Contract Documents notwithstanding, the proposal by Contractor dated 11/21/2019 defines Work to be completed under this agreement. Anything not included in the proposal dated 11/21/2019 and the code compliance report is not included in this agreement and is not part of the Work. Contractor will be entitled to a Change Order and additional compensation for anything in any Plans or Specifications or anything required by Law or ordinance that is not identified in the proposal dated 11/21/2019.

2. Department of safety & Inspection

Defined as Code Compliance Report Date: May 06, 2019. Re: 489 Sherburne Ave St. Paul MN File#18041075 VB3

VI. Scope of Work

A. All Scope of work have a 1 year craftsmanship Warranty, upon Completion of the job.

VII. Cutting and Patching

A. Contractor will ensure that cutting and patching required to make building parts fit together properly is done by those skilled in the trade. Work completed by Contractor will have the neatly finished appearance characteristic of professional grade construction.

VIII. Compliance with Law

A. Contractor and Owner mutually commit to use reasonable care to meet the Requirements of state, federal and local Law when discharging their responsibilities under this agreement.

IX. Employee Relations

A. Contractor is responsible for performance of all construction crews, including employees of Subcontractors, and shall enforce strict discipline and good order on the Job Site.

X. Owner's Responsibilities

A. Owner shall have sole responsibility to secure financing for the Home Remodel and shall pay all fees, charges, or other costs of such financing, including Inspection fees charged by any lender. The nonperformance of any lender shall not affect the obligation of Owner to Contractor. Owner hereby authorizes and directs any lender on the Home Remodel to furnish Contractor with full information on undisbursed loan proceeds when requested by Contractor.

XI. Construction by Others

A. Owner shall neither hire nor retain Separate Contractors, Subcontractors, employees or agents of Owner to perform Work on the Job Site while Work is being done under this agreement by Contractor.

XII. Representations by Contractor

A. The Contract Price is based on Contractor's careful evaluation of Plans, Specifications, Contract Documents, local conditions, including availability of labor, material, equipment, and transportation, the kind and character of soil and terrain, all available reports and tests on soil conditions, Work to be performed by Owner or Separate Contractors, environmental and historic preservation considerations, applicable Code Requirements, climatic conditions, and other local conditions that may affect cost to Contractor or duration of construction.

B. Contractor affirms that all Subcontractors will be financially solvent, licensed, experienced, competent, and will have resources necessary to complete the Work assigned in compliance with the

Contract Documents.

XIII. Payment Plan

A. Owner will pay to Contractor the Contract Price in installments consisting of an initial payment, progress payments, and a final payment on completion of the Work.

XIV. Initial Payment

A. Upon execution of this agreement, Owner shall pay to Contractor \$58,750.00 as an advance on the Contract Price.

B. Anything else in this contract notwithstanding, no payment shall be made under this contract until Owner receives, in a form satisfactory to Owner, written acknowledgment by Subcontractors, Material Suppliers or consultants that Contractor has assigned to the named Subcontractors, Suppliers or consultants all or a specific portion of the initial payment.

C. Contractor may use the initial payment to buy materials for the Home Remodel, for pre-construction expenses, and to cover a portion of the fee for doing the Work.

XV. Progress Payments

A. Schedule of Progress Payments

1. The Contractor will invoice the owner when the progress Payment is due of \$29,375.00 and the final payment is due when the job is completed.

B. Processing of Progress Payments

1. No less than 2 calendar days before each progress payment is due under the terms of this contract, Contractor shall provide Owner with an application for payment (invoice) in a form which complies with generally accepted trade practice.

2. Except as provided otherwise in this agreement, Owner shall pay the amount due within 2 calendar days after approval of any application for initial, progress or final payment.

XVI. Liens and Waivers

A. Contractor will ensure that Subcontractors, tradesmen and Material Suppliers working under direction of Contractor are paid when due to avoid the exercise of lien rights provided by state Law.

XVII. Waivers of Lien

A. With each application for payment, Contractor shall provide to Owner (1) Conditional waivers of lien from Contractor, from each Material Supplier, and from each Subcontractor to the Home Remodel confirming payment for all Work and materials covered by the application, and (2) Certification from each Material Supplier and Subcontractor covered in a prior application for payment that previous conditional waivers of lien have become unconditional. Waivers of liens shall be in a form satisfactory to Owner, title insurer, and lenders. Contractor shall furnish any supplemental waivers of lien as may be reasonably required by Owner, title insurer, or lenders. Conditional waivers of lien become unconditional on receipt of the payment which is requested.

XVIII. Details on Lien Claims

A. Contractor warrants and guarantees that the Home Remodel will be completed free of liens, Claims, security interests, and encumbrances of Subcontractor, tradesmen and Material Suppliers working under direction of Contractor on the Home Remodel.

XIX. Final Payment

- A. Contractor will submit an application for final payment to Owner when the Work has been completed in compliance with the Contract Documents. If Owner agrees that Work has been completed, payment is due Contractor for the entire unpaid balance of the contract amount.
- B. Making of final payment constitutes waiver of all Claims by Owner against Contractor except those Claims previously made in writing and delivered to Contractor and those obligations otherwise provided by this agreement or by operation of Law.
- C. The acceptance of final payment by Contractor constitutes a complete and unconditional waiver and release of any and all Claims by Contractor of whatever nature, and regardless of whether they are then known or unknown, and a complete and unconditional release of Owner, and every person for whom Owner is responsible, for any and all matters related to the contract or otherwise, except those Claims which have been made in writing and identified by Contractor as not having been settled at that time.
- D. Owner has no obligation to make final payment until unconditional waivers of lien in a form satisfactory to Owner, lenders and Sureties have been received from Contractor, Subcontractors, vendors, tradesmen, and all Material Suppliers with lien rights on the Home Remodel. Contractor may furnish a Bond satisfactory to Owner in lieu of waivers of lien.
- E. Application for final payment constitutes affirmation by Contractor that all payrolls, bills for materials, equipment charges, and other obligations of Contractor in connection with the Work have been paid or otherwise satisfied.

XX. Changes in the Work

- A. Except as provided elsewhere in this agreement, no change to this contract (including modification, clarification, interpretation or correction of the Plans or Specifications) shall be made without mutual agreement and a written Change Order signed by Contractor and Owner identifying the change, the cost of the change, and the effect on Project schedule, if any.
- B. The charge for Extra Work shall be the normal selling price Contractor charges for Similar changes on other jobs.

XXI. Cooperation of the Parties

- A. Both Contractor and Owner pledge that their relations will be conducted with courtesy and consideration in an environment characterized by mutual respect. Owner pledges to respond promptly to requests by Contractor for guidance, assistance and payments when due and agrees to extend to Contractor the deference and latitude a dedicated professional deserves. Contractor pledges to commit the skill and resources required to complete the Home Remodel in a manner that complies with both the letter and spirit of the Contract Documents and enhances the reputation of Contractor for dependability and professionalism.

XXII. Housing Statutory Warranty

- A. In compliance with Minnesota Statutes § 327A.01 to § 327A.08 (Housing Statutory Warranties Act), Contractor warrants to Owner that:
 - I. For major structural changes or additions to a residential building;
 - I. During the one-year period from and after completion, the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with Minnesota building standards; and

II. During the ten-year period from and after completion, the home improvement shall be free from major construction defects due to noncompliance with Minnesota building standards.

2. For installation of plumbing, electrical, heating or cooling systems, during the two-year period from and after completion, the home improvement shall be free from defects caused by the faulty installation of the system or systems due to noncompliance with Minnesota building standards.

3. For work not covered by paragraph (1) or (2), during the one-year period from and after completion, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with Minnesota building standards.

B. The Housing Statutory Warranties Act excludes from coverage (1) loss or damage not reported within six months, (2) defects in owner-supplied or installed materials, (3) personal injury or property damage, (4) normal shrinkage, (5) dampness due to poor ventilation, (6) negligence by other than Contractor, (7) changes in grading by other than Contractor, (8) insect damage, (9) poor maintenance, (10) failure to minimize damage, (11) losses when the building is not used as a primary dwelling, (12) acts of God, (13) soil movement covered by legislation or insurance, (14) existing soil conditions, (15) existing defects not caused by home improvement. Minnesota Statutes § 327A.03 gives Contractor the right to inspect and offer to repair any claimed defect. Warranty claims must follow the dispute resolution process provided by Minnesota Statutes Section 327A.051.

XXIII. Insurance

A. General Requirements

1. Contractor shall carry workers' compensation insurance and public liability insurance as required by Law and regulation for the protection of Contractor and Owner during progress of the Work.

Signatures

The signatures that follow constitute confirmation by those signing that they have examined and understand the Contract Documents and agree to be bound by the terms of these documents.

Pre-Lien Notice Required by Minnesota Statutes Section 514.011(1)

- (a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.
- (b) Under Minnesota law, you have the right to pay persons who supplied labor or materials for this improvement directly and deduct this amount from our contract price, or withhold the amounts due them from us until 120 days after completion of the improvement unless we give you a lien waiver signed by persons who supplied any labor or material for the improvement and who gave you timely notice.

This agreement is entered into as of the date written below.

Hassan Mohamud and Asha Hassan, Owner

Hassan Ali Mohamud
(Signature)

11/26/19
(Date)

HASSAN ALI MOHAMUD
(Printed Name)

ASHA
(Signature)

11/26/19
(Date)

ASHA HASSAN
(Printed Name)

Larkins Construction, INC, Contractor

Demetrius Larkins
(Signature)

11/25/2019
(Date)

Demetrius Larkins
(Printed Name and Title)