

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This Settlement Agreement and Release of all Claims ("**Agreement**") is entered into by and between the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("**HRA**"), the City of Saint Paul ("**City**") and the Owner (as defined below). The HRA, the City and Owner are herein collectively referred to as the "**Parties**" and each individually as a "**Party**".

Background

Ray Collins and Carolyn J. Collins (collectively, "**Owner**") are the owners of property located at 568 Iglehart Avenue, Saint Paul, MN 55104, which is legally defined in Exhibit A attached hereto ("**Property**"). The Owner applied and was approved for a deferred payment forgivable loan in the amount of **\$33,230.00** ("**Original Loan**") under the HRA's Homeowner Rehabilitation Program ("**HRP**"). The HRP is administered through the City of Saint Paul's Department of Planning and Economic Development ("**PED**") pursuant to guidelines promulgated by the HRA ("**HRP Guidelines**"). As an approved participant in the HRP, the Owner received funds from the Original Loan to hire a contractor to perform rehabilitation work at the Property. The Owner entered into a Homeowner Rehab Program Loan Agreement attached hereto as Exhibit C ("**Construction Contract**") with a contractor ("**Contractor**") to perform the rehabilitation work using funds from the Original Loan. Those funds were disbursed by PED to the contractor upon the satisfaction of certain conditions, which included written approval by the Owner and an HRA rehabilitation advisor. During the course of the rehabilitation work, it was determined by the Owner and PED staff that the work being performed was unsatisfactory and, in part, outside the scope of work set forth in the Construction Contract, permits, and HRP Guidelines. Deficiencies were confirmed by a third-party construction consultant retained by the City to inspect the Property. Based on these facts, the Parties have determined that it is in the best interest of the Owner and the HRA to enter into this Agreement.

The Agreement

It is the intent of the Parties that upon the full execution of this Agreement, the following Articles shall be caused to be put into effect immediately and with consideration that time is of the essence.

Article I: Discharge of Original Loan and Satisfactions of Mortgages

Section 1.1 Discharge of Original Loan. The HRA shall forgive any amounts due and fully discharge the Owner from any liability under the Original Loan.

Section 1.2 Satisfaction of Mortgages. The HRA shall cause two Satisfaction of Mortgages to be filed with the Ramsey County Recorder of Deeds to release the liens of the

two mortgages securing the Original Loan on the Property.

Article II: Settlement Funds

Section 2.1 Settlement Funds: In addition to discharging the Original Loan and recording Satisfactions of Mortgages, the HRA will issue funds in the amount of **\$86,372.00** to the Owner ("**Funds**"). The amount of the Funds is equal to the total cost of repairs to the Property as set forth in the updated scope of work attached hereto as Exhibit B ("**Updated Scope of Work**").

It is understood by the Parties that in no event shall the HRA or the City have any obligation to issue additional compensation beyond the amount of the Funds.

Section 2.2 Funds Purpose: The purpose of the Funds is to provide the Owner with proceeds to engage a new contractor to correct the deficient work performed at the Property.

The Owner certifies that the Updated Scope of Work attached as Exhibit B is a true and accurate representation of the scope of rehabilitation work required to remedy the deficient work performed at the Property as described in the "Background" section of this Agreement.

The enforceability of this Agreement is not dependent on the Owner using the Funds for this purpose. However, it is understood by the Parties that upon the execution of this Agreement, neither the City nor the HRA shall bear any responsibility to the Owner or the Property to ensure that corrective work is performed; the adequacy of the funds for any work; and/or the adequacy of any work performed at the Property.

Article III: Full and Final Release of All Claims

Section 3.1. Full and Final Release of All Claims and Potential Claims. In consideration of the above Discharge of Loan, Satisfactions of Mortgages, and payment of the Funds, inclusive of any and all costs and attorneys' fees, Owner, its predecessors, successors, and assigns, hereby absolutely, fully and forever releases, relieves, remises, and discharges the City of Saint Paul, and the HRA of the City of Saint Paul, including any and all of its officers, agents, employees, insurers, successors, contractors and agents of and from any and all manner of claims, demands, rights, causes of action, whether present and future, whether known or unknown, which Owner has or may have relating to the Property, events described in the "Background" section of this Agreement or the subject matter of this Agreement, including but not limited to, any and all maintenance, construction, remodel, rehabilitation and repairs performed at the Property,

damage to the Property, and all other claims that relate thereto, whether arising out of contract, tort, or constitutional law, including, but not limited to, any loss or damage to personal property, loss of income or rents and loss of use of Property. Owner hereby certifies that they have accepted the Funds and executed this Release with the understanding that they are releasing their right to bring suit or other claims against the City and HRA, including its officers, agents, employees, insurers, successors, contractors and agents for monetary damages, or otherwise, now or in the future, with respect to the claimed property damage or any matters related thereto or arising therefrom. Owner further covenants and agrees not to institute, maintain, collect, or proceed against the City, the HRA, or its officers, agents, employees, insurers, successors, agents and contractors, individually or as a member of any class, any claims referred to herein, or that otherwise arise out of or relate to, in whole or in part, any subject or matter covered by this Agreement.

Section 3.2. No inducement. Owner, City and the HRA represent that in making this release it is understood and agreed that each party is relying wholly upon its own judgment, belief, and knowledge of the nature, extent, effect, and duration of potential damages and liability and is made without reliance upon any statement or representation of the other party hereby released or its representatives.

Section 3.3. No admission. The Owner understands and acknowledges that neither Owner, City nor the HRA admit any wrongdoing, improper action, or liability for any of the other party's demands, allegations, or claims.

Section 3.4. Counsel review. By executing this Agreement, the undersigned parties acknowledge that they have read, understand, and will fully comply with all terms and conditions contained in this Agreement and that they have had the opportunity to consult with legal counsel regarding which terms and conditions apply.

Article IV: Subject to City of Saint Paul Council or HRA Approval

Section 4.1. Saint Paul City Council or HRA Approval. The parties understand and agree that the settlement is pending City Council or HRA approval. Payment of the Funds will be made **within 35 days** of either City Council or HRA approval.

Article V: Miscellaneous

Section 5.1 Governing law, jurisdiction, venue & waiver of jury trial. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by, interpreted and determined in accordance with the laws of the state of

Minnesota without regard to its conflict and choice of law provisions. Any litigation arising out of this Agreement shall be venued exclusively in Ramsey County District Court, Second Judicial District, state of Minnesota and shall not be removed to any other federal or state court. Owner hereby consents to personal jurisdiction and venue in this court. Owner waives a trial by jury for any litigation arising out of this Agreement.

Section 5.2. Entire agreement. This Agreement reflects the entire agreement of the parties with respect to the matters addressed herein and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to such matters.

Section 5.3. Amendments, changes, and modifications. This Agreement may not be amended or any of its terms modified except by written amendment authorized and executed by the HRA and Owner.

Section 5.4 Signatures. The Parties may sign this Agreement in counterparts, each of which constitutes an original, but all of which together constitute one instrument.

Remainder of page intentionally left blank; signatures on following page.

The Parties have executed this Agreement effective as of _____, 2025.

****READ DOCUMENT CAREFULLY BEFORE SIGNING****

Ray Collins, a married individual, Owner

Carolyn J. Collins, a married individual, Owner

Chairperson, HRA

Executive Director, HRA

Mayor or Designee, City of Saint Paul

Assistant City Attorney, as to form

Exhibit A

Legal Description of Property

All of Lot One (1), and Lot Two (2) except the West Four (4.0) feet thereof, Block Twenty- six (26), Mackubin and Marshall's Addition to Saint Paul, Ramsey, Minnesota.

Tax PIN: 362923330026

Exhibit B
Updated Scope of Work



SAINT PAUL MINNESOTA

Home Improvement Loan Programs
Department of Planning & Economic Development (PED)
Scope of Work & Bid Form
ADDRESS: 568 Iglehart Avenue
CIF NUMBER: 30015

The undersigned, having examined and being familiar with the existing conditions affecting the Work, the Bidding Documents and Addenda through inclusive, hereby propose to furnish all labor, materials, equipment, services, etc. required for the performance and completion of the Construction Work for the following lump sum, itemized as indicated, according to the Scope of Work:

1. In submitting this bid it is understood that the right is reserved by the City of Saint Paul to reject any and all bids and to award a contract in their best interest. It is agreed that the bids may not be withdrawn for a period of 60 days from the bid due date.
2. The undersigned agrees that if notified of acceptance of this proposal, they will execute a contract for the Work included in the Bidding Documents for the stated Total Value of Work, with any modifications jointly agreed upon. A copy of the form of Agreement between the Owner and Contractor is provided during Contractor onboarding and can be provided subsequently upon request.
3. The undersigned has completed the Value of Work column on page 2 of this Scope of Work document.
4. Contractor's bid, voluntary alternates, and alternates negotiated with the Owner, if any, are attached to this Bid Form on Contractor's letterhead, with a complete description of the work, alternate(s), and all associated costs.

**YOU MUST SUBMIT YOUR SIGNED BID USING THIS FORM AS PART OF THE
EQUITABLE PROCUREMENT PROCESS. BIDS FORMATTED IN CONTRACTOR
ESTIMATE TEMPLATES WILL NOT BE ACCEPTED & WILL NOT BE CONSIDERED
FOR THIS SCOPE.**

Signature and Contractor Information:

5/12/2025
Signature/Submission Date

5/10/25
Earliest Work Start Date

Rich Hilmanowski
Signature

Rich Hilmanowski
Printed Name

REST PRO
Organization Name

Estimator
Title

505 Minnehaha Ave West
Street Address

BC 396147
MN Contractor License #

St Paul MN 55103
City, State, Zip

05-0572043
Tax ID # (EIN or SSN)

HRA's Requested Scope of Work	Value of Work
1. Deck: a. It shall be the responsibility of the contractor to obtain the services of a Minnesota licensed structural engineer (PE) to assess the structural integrity of the rear deck on the south side of the home. The following	\$



SAINT PAUL MINNESOTA

Home Improvement Loan Programs
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<p>items shall be addressed:</p> <ul style="list-style-type: none">i. The framing of the deck.ii. The attachment of the deck to the home.iii. The framing's ability to be used as a base for the installation of composite decking.iv. That the overall construction of the deck is compliant with the 2020 Minnesota State Residential Code (MSRC). <p>b. Remove and replace non-code-compliant deck stairs with code-compliant stairs.</p> <p>c. Provide graspable handrail on one side of the stair, and returned at the top and the bottom of the stairway.</p> <p>d. Remove and replace patchwork infill material on deck ledger and replace with material and flashing that prevents water intrusion into exterior wall assembly.</p> <p>e. Remove and replace warping skirt board around the band joist of the deck. The material is not cut to allow for expansion and contraction.</p>	<p>38578</p>
<p>2. Base & Door Trim Throughout the House:</p> <ul style="list-style-type: none">a. Remove & replace patched base trim with like-in-kind material and stain to match the remaining trim.b. Remove & replace all door trim with like-in-kind material with the base trim and stain to match the remaining trim.	<p>\$ 3000</p>
<p>3. Doors & Windows:</p> <ul style="list-style-type: none">a. All:<ul style="list-style-type: none">i. Caulk & seal around all doors, windows, and penetrations through the exterior wall assembly to prevent water intrusion.b. Garage Exterior Door:<ul style="list-style-type: none">i. Remove & replace caulking around exterior service door to garage on the rear of garage with code-compliant material that prevents water intrusion into exterior wall assembly.ii. Remove & reinstall exterior service door on the rear of the garage. The frame must be reinforced to fully-engage the door hardware.iii. Provide shims and long screws to prevent flexing of the doorframe at the lockset location.c. Sliding Screen Door:<ul style="list-style-type: none">i. Adjust the interior screen door to remove the gap at the top of the guide rail. The screen door should be inside the guide rails on the top and the bottom.d. Sliding Barn Door:<ul style="list-style-type: none">i. Remove & reset barn door with added guide and leveling so door doesn't automatically open anymore.e. All Interior Doors (excepting primary bedroom door):<ul style="list-style-type: none">i. Remove & replace all interior doors in home excepting the primary (fka master) bedroom door.ii. All doors are to be flush with the wall pane.iii. All doors are to be plumb and level.iv. All door hardware is to perform by fully engaging the strike	<p>700</p> <p>2992</p> <p>\$ 201</p> <p>251</p> <p>23000</p>



SAINT PAUL MINNESOTA

Home Improvement Loan Programs
Department of Planning & Economic Development (PED)
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plates.	
4. Upstairs Bathroom: <ul style="list-style-type: none">a. Remove the cement board in the wall surrounding the tub area.b. Replace cement board area with tile around the tub with like-in-kind material.c. Seal interconnections between the walls and floors.d. Install shower controls & fixtures in shower area.e. Remove & replace toilet; must be ADA accessible.	\$ 14500
5. Basement: <ul style="list-style-type: none">a. Stairs:<ul style="list-style-type: none">i. Remove & replace the graspable handrail from the basement to the main floor. The handrail must extend the full length of the stairway and returned at the top and the bottom of the stairway.b. Bathroom:<ul style="list-style-type: none">i. Remove gypsum ceiling to locate mechanical exhaust fan.ii. Fix venting of mechanical exhaust fan to vent outside instead of into the ceiling space.iii. Replace gypsum ceiling after mechanical exhaust fan is located & re-vented.iv. Paint new gypsum ceiling area.	\$ 150
6. Permits & Dumpsters for Full Project	\$ 3000
Total Value of Work	\$ 86372

Exhibit C
Construction Contract

HOMEOWNER REHAB PROGRAM

This document is a sample form contract that can be used as the contract between you and the selected contractor for the Homeowner Rehab Program. The HRA strongly recommends use of this form contract as it provides important protections to you as the homeowner.

The HRA and its staff cannot provide you with legal advice. Therefore, we have created the following list of resources for you to access if you have any concerns or disputes with regard to your contract or your interactions with your contractor.

Resources List:

- Home warranty dispute resolution process | Minnesota Department of Labor and Industry (mn.gov)
- ProJusticeMN.org
- Legal Liability for Construction Defects - FindLaw
- Legal Services State Support (mnlegalservices.org)
- Mid-Minnesota Legal Aid (mylegalaid.org)
- Immigrant Law Center of Minnesota - National Pro Bono Opportunities Guide - Pro Bono Net

**HOMEOWNER REHAB PROGRAM
LOAN AGREEMENT BETWEEN OWNER
AND CONTRACTOR**

This Loan Agreement ("Agreement") is between **Ray Collins/Carolyn Collins** ("Owners") and **AA Contracting, Inc.**, a Minnesota ("Contractor"). The Owner and Contractor acknowledge that financing for the Project is being provided by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") but that HRA is not a party to this Agreement. The Owner and Contractor hereby agree as set forth below:

1. **WORK, TIME, COMMENCE AND COMPLETION**

The Contractor agrees to complete the work on property located at **568 Iglehart Ave, St. Paul, Minnesota 55103**, as set forth in the attached scope of work ("Project").

The work to be performed under this Agreement shall be commenced within **forty-five (45) calendar days** of the date of the Proceed to Work Notice issued by the HRA and shall be satisfactorily completed within **ninety (90) calendar days** thereafter.

In the event Contractor is delayed in the process of the work by conditions not reasonably foreseeable or beyond the control and without the fault of Contractor, then the completion date shall be extended; provided, however, Contractor gives Owner and HRA written notice of any such delay within **five (5) calendar days** of the onset of such delay.

Owner accepts the HRA is not responsible for the timeliness, quality or performance of the Project or any portion thereof. Owner acknowledges it selected the Contractor and that the HRA is not responsible for that selection.

2. **CONTRACT DOCUMENTS**

The Contract documents which constitute the entirety of the agreement for the Project are as follows: this Agreement, the Scope of Work, Bid Form dated **03/16/23** (Date contractor signed Bid Form); Post Bid Addendums; and the Homeowner Rehab Project Manual.

3. **CONTRACT SUM**

The HRA, on behalf of the Owner, shall pay the Contractor for the performance of the work and completion of the Project, subject to additions and deductions by written Change Order approved by the Owner and HRA and as provided in the Contract Documents, the Contract Sum of **\$35,510**.

4. **HOLD HARMLESS**

Contractor will defend, indemnify, and hold harmless the Owner and the HRA, its officers, agents, and employees from liability and claims for damages because of bodily injury, death, property damage, sickness, disease or any loss and/or any expense arising from Contractor's operations under this contract.

5. **FINES**

The Contractor is fully responsible for the means and methods of executing the scope

of work. The Contractor is specially trained in safe work practices and lead hazard reduction work and therefore agrees to hold the owner and the HRA harmless in the event of any fines or other penalties from federal, state or local agencies controlling the lead hazard reduction work. The Contractor agrees to immediately satisfy any and all fines or judgments presented by OSHA, EPA, the local or state health department, the state office of lead hazard control and any other governmental agency having jurisdiction over the lead hazard reduction work.

6. **PROGRAM REQUIREMENTS**

Contractor is advised that some or all of the HRA financing being provided may be Federal funds. Contractor will take affirmative action to ensure fair treatment of all employees and will not discriminate against anyone on the basis of race, color, creed, sex or national origin in their employment practices (Executive Order 11246). Contractor will hire, when feasible, low- and very low-income persons (Section 3 of the Housing Act of 1968). Contractor agrees not to use lead-based paint according to 24CFR part 35. Contractor is responsible for being aware of all public laws and executive orders pertaining to the use of such funds.

7. **INSURANCE**

Before commencing work, Contractor shall furnish the Owner with certificates showing the following insurance is in force. Policies shall be submitted for approval to the Owner and shall be endorsed to provide that the policies will not be canceled or changed until **thirty (30) days** after written notice of change or cancellation has been delivered to the Owner. Policies must identify the Owner as additional insured. Coverages shall be at least as follows:

- A. **commercial general liability** of not less than \$500,000 per person / \$1,500,000 per occurrence and shall not exclude explosion, collapse and underground property damage;
- B. **workers' compensation insurance** with not less than statutory minimum limits and **unemployment insurance** as required by law.

8. **PAYMENT/LIEN WAIVERS**

Contractor shall protect, defend and indemnify Owner and HRA from any claims for unpaid work, labor, or materials. Payment shall not be due until the Contractor has delivered to the Owner and HRA complete release of all liens arising out of this contract, or receipts in full, covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien, all to the satisfaction of the HRA. Upon receipt of all required documentation and approval by the Owner, the HRA shall issue payment directly to the Contractor. The final payment shall be made by the HRA upon the following: completion of the Project; acceptance of the Project by the Owner and HRA; and provision of all requested documentation, including but not limited lien waivers for all subcontractors, proof of any required inspections, and a Certificate of Lead-Based Paint Compliance.

9. NOTICE OF LIEN RIGHTS IN THE STATE OF MINNESOTA

CONTRACTORS ARE REQUIRED BY MINNESOTA LAW TO PROVIDE OWNERS WITH THE FOLLOWING NOTICE REGARDING THE RIGHTS OF PERSONS OR COMPANIES FURNISHING LABOR AND MATERIALS:

- A. ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS PROJECT MAY FILE A LIEN AGAINST OWNER'S PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THEIR CONTRIBUTIONS.**
- B. UNDER MINNESOTA LAW, OWNER HAS THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS PROJECT DIRECTLY AND DEDUCT THIS FROM THE CONTRACTOR'S PRICE, OR WITHHOLD PAYMENT UNTIL 120 DAYS AFTER COMPLETION OF THE PROJECT UNLESS OWNER IS GIVEN A LIEN WAIVER SIGNED BY CONTRACTOR WHO SUPPLIED LABOR OR MATERIALS FOR THE PROJECT AND WHO GAVE OWNER TIMELY NOTICE.**

10. CHANGES IN THE WORK

No modifications of the contract shall be made except by written Change Order, signed by the Contractor, accepted by the Owner, and approved by the HRA for funding eligibility.

If changes in the quantity or quality of work beyond that indicated in the contract are requested by Owner, Owner shall assume responsibility for the additional costs and changes. Such changes shall be agreed to by Owner and Contractor and shall be evidenced by written change order.

11. CONSTRUCTION DEFECTS AND WARRANTIES

The Contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting there from which shall appear within the period of **two (2) years** from final payment. Further, Contractor will furnish Owner with all manufacturers and supplier's written guarantees and warranties covering materials and equipment furnished under this contract.

12. LAWS AND REGULATIONS.

In providing the Project, the Contractor shall abide by all applicable statutes, ordinances, rules, and regulations.

13. MEDIATION

Each dispute, claim or controversy arising from or related to this Agreement shall be subject to mediation as a condition precedent to initiating arbitration or legal or equitable actions by either party. Upon service of a written notice requesting mediation, the parties shall have ten (10) days to jointly select one person to act as mediator. If the

parties are unable to agree upon a mediator, the parties shall ask the Ramsey County District Court to select a mediator. The mediation shall be conducted pursuant to the commercial mediation procedures of the American Arbitration Association but shall not be administered by the American Arbitration Association. No arbitration or legal or equitable action may be instituted for a period of 90 days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Each party shall bear its own costs of the mediation process and the parties shall share equally the fees and expenses of the mediator; provided that if there is a prevailing party, the prevailing party shall be entitled to receive from the non-prevailing party and the non-prevailing party shall pay upon demand all reasonable fees and expenses and attorneys' fees for the prevailing party. Mediation shall be held in a location that is mutually agreed upon by the parties. The parties acknowledge that mediation is a voluntary process, and that the mediator does not have the authority to bind either party absent the party's consent. The parties shall memorialize any agreement resulting from the mediation in a mediated settlement agreement, which agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

14. SUBCONTRACTS AND ASSIGNMENTS

No subcontract or assignment of this contract shall be made without the written consent of the Owner and the HRA.

15. PERMITS AND CODES

Contractor will secure all necessary permits and licenses required to do the work and to comply with all Building Code regulations and ordinances whether or not covered by the specifications and drawings for the work.

THIS AGREEMENT is made this 12th day of Oct., 2023

OWNER(S)

Ray Collins

Signature

Ray Collins

Homeowner Name

Carolyn Collins

Signature

Carolyn Collins

Homeowner Name

CONTRACTOR

M. K. Shult

Signature

Mohammad Thabet

Owner Name

President

Title

AA Contracting Inc

Company Name