

**RESIDENTIAL
REMODELING/CONSTRUCTION CONTRACT**

Date _____, 20__

YOUR NAME: _____

YOUR MAILING ADDRESS: _____

YOUR TELEPHONE: Home _____ Business _____

JOB LOCATION, if different than your mailing address: _____

YOU AND _____ (BUILDER) AGREE AS FOLLOWS:

1. Builder agrees to perform the following work (attach dated plans and dated specifications, if any, to this Contract):

2. You agree to pay Builder \$ _____ for this work as follows:

The price for the work includes all labor, materials, building permits, temporary power, and

_____.

You will get the money to pay the Builder for the work from: _____

You may not occupy or use any of the work done by the Builder until the Builder has been paid in full. All work is considered completed on the date a Certificate of Occupancy is issued. If you live in an area where a Certificate of Occupancy will not be issued, the Builder will determine when the work is complete.

3. The Builder agrees to start work on or before _____, 200 ____, and all work will be completed within ____ days. You agree that the Builder is not responsible for delays in completion of the work due to weather, strikes, war, shortage or delay in getting materials, shortage or delay in labor or subcontracting, any other problem with suppliers or subcontractors, government regulations, court actions or any other cause beyond the Builder's control. If the cost of materials or labor increases more than ____% before this work is started, Builder may terminate this Contract and return any down payment to you.

You agree to pay for unexpected or unanticipated extra costs such as soil corrections, protection of the project from weather conditions and all other similar costs.

4. Prior to beginning the work, upon request of Builder, you will provide Builder with a copy of your property insurance policy showing coverage for property damage and liability claims. Builder will provide Builder's risk insurance in the amount of this Contract. You will be responsible for losses not covered by Builder's insurance, including any deductible.
5. If you fail to pay the Builder any payments due under the terms of this Contract, the Builder may stop work without further notice. You will be liable to Builder for all payments and Builder costs due up to the time work is stopped, and for all losses sustained by the Builder on materials, machinery, equipment or tools, overhead, profit, soft costs and damages. The Builder will only restart work after you have paid all money due the Builder and the Builder is satisfied that you have the ability to pay for the remaining work.

If at any time the Builder reasonably believes that you are not cooperating in completing the project, you are being unreasonable, or you will not pay the Builder any payment scheduled to be paid under this Contract, after ____ days written notice to you, the Builder may stop work. If you provide the Builder with evidence, satisfactory to the Builder, of your willingness and ability to meet all of your obligations under this Contract, Builder may continue work under the Contract.

If work has stopped for any reason, Builder may terminate this Contract and recover from you, payment for all work completed, and for all losses sustained by the Builder on all materials, machinery, equipment or tools, overhead, soft costs, profit and damages.

6. You and the Builder have agreed that you will do the following work or provide the following materials:

You understand that this work must be done on time and all materials delivered on time, as determined by the Builder, or you agree to pay the Builder all costs for any delay caused by you. If you do not complete your work on time or delivery materials, or if the quality of your work or materials is not acceptable to Builder, the Builder may (but is not obligated to) complete or repair/redo your work and you agree to pay for all costs. Builder does not warrant any work done by you, contractors hired by you or materials you provide. You

agree to indemnify and hold harmless Builder for any loss or damage resulting from or caused by work done by you, contractors you hired or from materials you have provided.

7. You understand that there are no oral agreements between you and Builder. Everything you expect Builder to do has been included, in writing, in this Contract. Nothing in this Contract can be changed unless it is changed in writing on a separate form and signed by both you and Builder. Builder Contract may be assigned by Builder without your consent.
8. **If Builder retains an attorney to collect any money from you, or to resolve any other dispute with you (or to defend any action by you which is later determined not to have been caused by the Builder), you agree to pay all of Builder's attorney fees, costs and disbursements. Any claim by you or Builder in any way arising out of this Contract, the work, any other agreements between you and Builder and/or in any way arising out of or relating to the physical condition of the property shall be settled by binding arbitration. You and the Builder agree to arbitrate any disputes in _____, Minnesota, under the Construction Industry Rules and Supplementary Procedures for Residential Construction Disputes of the American Arbitration Association. These Rules may be found at www.adr.org.**

A request for arbitration must be filed within twelve (12) months of the date which the relevant facts regarding the claim were discovered or could reasonably have been discovered. In no case may any claims be brought by you more than six (6) years after you take possession of the house or work.

Builder retains the right to file, perfect and start a lawsuit to enforce mechanic's lien rights. The parties agree that the Court may refer the matter to arbitration, but retain jurisdiction for enforcement of the mechanic's lien.

**I (WE) AGREE (All
Buyers/Homeowners must initial)**

9. This is a legal and binding contract. You represent to the Builder that all the information in this Contract is correct, and that you have read and understand this Contract.
10. **THE OWNER IS ADVISED THAT IF THE PROJECT INVOLVES THE OWNER'S HOMESTEAD, FEDERAL LAW ALLOWS THE OWNER TO TERMINATE THIS CONTRACT FOR ANY REASON WITHIN THREE (3) DAYS AFTER SIGNING IT.**
11. The Pre-Lien Notice required to be given by Minnesota State Law is attached. Also attached is the Urea Formaldehyde Notice.
12. If Builder does not own the land on which the home is being built, you warrant to Builder that you own the property on which the work is being done. You hereby transfer possession of the property to Builder until such time as all money due Builder under this

Contract is paid in full. If you occupy the property prior to full payment of this Contract price, Builder may get a Court Order giving possession of the property to Builder. If you refuse to allow the Builder to complete the construction of the home and you own the lot, you agree that the Court or an arbitrator may order the immediate sale of the property and home and that all net sale proceeds be distributed by Order of the Court or arbitrator.

- 13. Attached to this Contract are Building Performance Guidelines. Construction of your home will be done according to these Guidelines. If these Guidelines are not met, you agree to accept the remedy provided in the Guidelines. You and the Builder agree that these Guidelines are the exclusive Guidelines that apply to this Contract and all work done under this Contract. All warranties under Minnesota Statutes Chapter 327A apply to the work.**

_____ **I (WE) AGREE (All
Buyers/Homeowners must initial)**

OPTION:

14. Construction of your home will be done as required by the warranties under Minnesota Statutes Chapter 327A. There are no other express or implied warranties.

THIS IS A LEGALLY BINDING DOCUMENT. READ IT CAREFULLY AND UNDERSTAND IT BEFORE YOU SIGN IT. CONSULT YOUR ATTORNEY IF YOU HAVE ANY QUESTIONS.

(Owner)

(Owner)

(Builder)

Builder License No. _____

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