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NORTH CAROLINA

**CONSTRUCTION CONTRACT**

GUILFORD COUNTY

This Construction Contract (“Contract”) made this the 27th day of September in the year Two Thousand Twenty-One.

Between Owner: Chris Mattern  
and Contractor: WOLFE CONSTRUCTION INC. dba WOLFE HOMES  
for the Project: Whole House Remodel at: 5407 Eastern Shores Dr., Greensboro, NC 27455

Owner and Contractor agree as set forth below:

**Article 1**

**The Work of This Contract**

- 1.1 Contractor shall provide the materials and perform all the work (the “Work”) required by the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

**Article 2**

**The Contractor’s Duties and Status**

- 2.1 The Contractor accepts the relationship of trust and confidence established between the Owner and Contractor by this Agreement. The Contractor covenants with the Owner to furnish the Contractor’s best skill and judgement in the prosecution and completion of the Work in a good and workmanlike manner. The Contractor agrees to furnish efficient business administration and superintendence and to use Contractor’s best efforts to furnish at all times an adequate supply of works and materials, and to perform the Work in the most expeditious and economical manner consistent with the interests and objectives of the Owner.

### **Article 3**

#### **Date of Commencement and Substantial Completion**

- 3.1 The Work shall be commenced within fifteen (15) days of the issuance of necessary permits and authorizations and to be complete within 300 days of start.

### **Article 4**

#### **Contract Sum**

- 4.1 The Owner shall pay the Contractor for the remodel on the aforementioned home, subject to additions and deductions as requested by the Owner, in current funds, the Base Contract Sum of \$ 1,258,875. Draw schedule to be based on percentage completion as per bank schedule and inspections on a percentage completion basis according to attached Schedule of Values (SOV). \$ 100,000 deposit required to start the project and to be credited back on final invoice.

### **Article 5**

#### **Final Payment**

- 5.1 The Owner shall make final payment 10 days after completion of the Work provided the Contract be then full performed, subject to the provisions of Article 10 of the General Conditions. For purposes of this Agreement, completion shall be deemed achieved when the home is ready for beneficial occupancy, all Work shall have been completed in accordance with the Contract Documents, and a final Certificate of Occupancy has been issued by Guilford County. Occupancy shall not take place until final payment has been made.

## **GENERAL CONDITIONS**

### **Article 6**

#### **Enumeration of Contract Documents**

- 6.1 The Contract Documents consist of this Contract, Schedule of Values (SOV) (8/25/21), Demo Plans (8-12-21), Interior Design Plans (7-22-21) and any subsequent Changes of Scope, Addenda or other modifications agreed to by the parties.

## **Article 7**

### **Contractor**

- 7.1 Unless otherwise provided in the Contract Documents, Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated into the Work.
- 7.2 Contractor warrants to Owner that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by Owner, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.
- 7.3 Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work Contractor shall remove from and about the Project waste materials, rubbish, Contractor's tools, construction equipment, machinery, and surplus materials.
- 7.4 Contractor shall provide Owner reasonable access to the Work in preparation and progress wherever located.
- 7.5 Contractor shall pay all sales taxes for materials purchased on the Project and shall secure all permits, fees, and licenses necessary for the execution and completion of the Work.
- 7.6 Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of any public authority bearing on the performance of the Work.

## **Article 8**

### **Indemnification**

- 8.1 Contractor shall be responsible to Owner for the acts and omissions of Contractor's employees, subcontractors and their agents and employees, and other persons performing portions of the Work under a contract with Contractor.
- 8.2.1 To the fullest extent permitted by law, Contractor shall indemnify and hold harmless Owner and agents and employees of Owner from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including loss of use resulting therefrom, but only to the extent caused in whole or

in part by negligent acts or omissions of Contractor, a subcontractor, 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 obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph 8.2.1

## **Article 9**

### **Subcontracts**

- 9.1 Any contract between Contractor and Subcontractors shall be in accordance with and bind the Subcontractors to the terms of this Contract and shall include the General Conditions of this Contract in so far as applicable including consent to and joinder in arbitration of disputes under Article 16.

## **Article 10**

### **Payments**

- 10.1 Payments shall be made as provided in Articles 4 and 5 of the Contract.
- 10.2 Payments may be withheld by Owner on account of (1) defective Work not remedied, (2) meritorious claims properly filed by third parties, (3) failure of Contractor to make payments properly to subcontractors or for labor, materials, or equipment, (4) persistent failure to carry out the Work in accordance with the Contract Documents.
- 10.3 Final Payment, constituting the entire unpaid balance of the Contract Sum, shall be paid by Owner to Contractor within 10 days after receipt by Owner of notice of Final Completion from Contractor.

## **Article 11**

### **Insurance**

- 11.1 Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and from claims for damages, other than to the Work itself, to property which may arise out of or result from Contractor's operations under the Contract, whether such operations be by Contractor or by a subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to Contractor's obligations under Paragraph 8. Certificates of such insurance shall be filed with Owner prior to the commencement of the Work.

- 11.2 Owner shall be responsible for purchasing and maintaining Owner's liability insurance. At the Option of Owner, Owner may purchase and maintain other insurance for self-protection against claims which may arise from operations under the Contract. Contractor shall not be responsible for purchasing and maintaining this optional Owner's liability insurance unless specifically required by the Contract Documents.
- 11.3 Contractor will provide Builders' Risk policy.
- 11.4 A loss insured under Owner's property insurance shall be adjusted with Owner and made payable to Owner as fiduciaries for the insureds, as their interests may appear, subject to the requirements of any applicable mortgagee clause.
- 11.5 Owner and Contractor waive all rights against each other, separate contractors, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Article or any other property insurance applicable to the Work, except such rights as they may have to the proceeds of such insurance held by Owner as fiduciaries.

## **Article 12**

### **Correction of Work**

- 12.1 Contractor shall promptly correct Work failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed, and shall correct any Work found to be not in accordance with the requirements of the Contract Documents within a period of one year from the date of Substantial Completion of the Contract. Substantial completion is defined as the date the Certificate of Occupancy is received. The provisions of this Article apply to Work done by subcontractors as well as to Work done by direct employees of Contractor.

## **Article 13**

### **Prohibition Against Assignment**

- 13.1 This Contract shall not be assignable by either party without the express written consent of the other party and, if assigned with consent, shall be binding upon the respective heirs, executors, administrators, successors, or assigns, as applicable.

## **Article 14**

### **Abnormal Ground Conditions**

- 14.1 The cost to correct any abnormal ground conditions encountered by the Contractor in the construction of the dwelling shall be paid by the Purchasers. Abnormal ground conditions are defined as rock (or other material) that cannot be "ripped" or removed by a 951-loader or D-3 bulldozer, or subsurface water conditions which are not normally or reasonably encountered by and corrected by a contractor at the expense of the Contractor, in the custom home building business in the Greensboro, North Carolina area. In the event of any such abnormal ground conditions, a work order shall be presented to and approved in writing by the Owners before any corrective work is begun.

**Article 15**  
**Termination by Contractor**

15.1 If the Work is stopped for a period of thirty (30) days under an order of any court or other public authority having jurisdiction, or if Owner has not made payment as provided for in the Contract within thirty (30) days of the due date, then Contractor may, upon seven (7) days additional written notice to Owner, terminate the Contract and recover from Owner payment for all Work executed, materials ordered and all Contractor Fees and profits payable under the Contract.

**Article 16**

**Administration of the Contract and Arbitration**

16.1 Contractor will provide administration of the Contract (1) during construction, (2) until Final Payment is due, and (3) from time to time during the Correction Period described in Article 12.

16.2 All unresolved claims, disputes and other matters in question between Contractor and Owner arising out of or relating to the Contract or breach thereof shall be decided by arbitration in accordance with the North Carolina Revised Uniform Arbitration Act, N.C.G.S. Sec.s1-569.1 et seq. and using unless the parties mutually agree otherwise. The foregoing agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrator shall be final, and judgment may be entered upon in accordance with applicable law. Notice for the demand for arbitration shall be in writing with the other party. In no event shall demand be made after the date when institution of legal or equitable actions based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

**Article 17**

**Entire Agreement**

17.1 The parties hereto certify that they have read and fully understand the foregoing Contract and agree to be bound hereby. It is further understood that this writing, together with the attachments hereto, contains the full agreement of the parties and neither of them shall be bound by any statements, representations, or agreements, oral or written, not contained herein. This Contract shall be governed by the laws of the State of North Carolina.

This Contract is executed the day and year first written above.

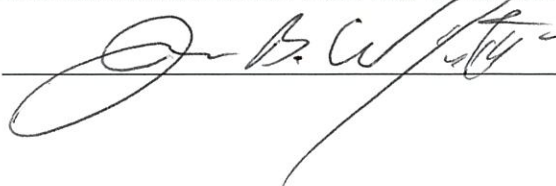
  
Owner

9/27/2021  
Date

Owner

Date

WOLFE CONSTRUCTION INC. dba WOLFE HOMES

By:   
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9/27/2021  
Date