



RESIDENTIAL CONSTRUCTION CONTRACT

This *Residential Construction Contract* (the “**Contract**”) is effective on the 1 day of September 2022 the “**Effective Date**”) and entered into by and between MG Liberty, LLC (the “**Client**”) and FR RENOVATION, LLC (the “**Contractor**”). Client and Contractor may be referred to collectively herein as the “**Parties**”.

1. **Scope, Location, and Schedule of Work.** Contractor agrees to perform and complete the work described below (the “**Work**”) for the amount of money set forth below (the “**Sum**”) and in accordance with the schedule described below (the “**Schedule**”). The Work shall be completed in accordance with specifications and standards set forth in this Contract. Contractor shall furnish all supervision, labor, materials, tools, and equipment necessary to complete the Work, unless otherwise stated herein.

(a) **Location.** 2230 Amelia St, New Orleans, LA 70115


(b) **Description of Work.** Contractor shall renovate existing single-family dwelling in accordance with the architectural drawings and design plans for the Location provided by Entourage Design + Development (the “**Plans**”), and those finish specification sheets provided during the course of the Work and approved in writing by Client (the “**Finish Sheets**”).

Any and all changes to the scope of the Work shall incur an additional “overture” cost and shall only be performed pursuant to either (a) a written change order signed by both Parties, or (b) a written or verbal request by Client for the change and actual performance by Contractor to complete the requested change. If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract or from those conditions ordinarily found to exist, the Sum and Schedule shall be subject to equitable adjustment.

The Work to be performed by Contractor under this Contract shall be done in accordance with this Contract, the Plans, and the Finish Sheets.

(c) **Schedule.** Construction shall commence upon Contractor’s receipt of all necessary permits from the City of New Orleans / Parish of Orleans (the “**City**”/ “**Parish**”) and shall be completed on or about (1.5) months after the Commencement Date or September 1, 2022, whichever is later. The “**Commencement Date**” shall be the date upon which the City issues the permit to begin work.

Contractor is not responsible for any delays due to materials, subcontractors, weather, or any other acts of God. If Contractor’s completion of the Work is delayed at any time by changes ordered in the Work by Client, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, or other causes beyond Contractor’s control, the Schedule shall be subject to equitable adjustment, as needed.


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2. **Contract Sum and Draw Schedule.** As full compensation for the Work, Client agrees to pay and Contractor agrees to accept, the sum of Sixty-Nine Thousand Six Hundred and Fifty (\$69,650.00) (the “Sum”). Notwithstanding any other provision herein, this Sum shall not change without a written addendum to this Contract signed by both Parties. Payment of this Sum shall be made in Five (5) installments or “Draw” payments, with such payments being made according to the following “Draw Schedule”:


- Draw 1: \$27,860.00__ 40% due and payable upon completion of kick off meeting and all permitting necessary to begin renovation and construction work.
- Draw 2: \$13,930.00__ 20% due and payable upon completion of all framing repairs and new slab is poured.
- Draw 3: \$13,930.00__ 20% due upon completion of all electrical, plumbing inspection and sheet rock complete.
- Draw 4: \$6,965.00__ 10% due upon completion of all interior painting is complete.
- Draw 5: \$6,965.00__ 10% due issue of final punch list for completion. Plus any overtures due following reasonable, punch-list walkthrough and upon receipt of appropriate Certificate of Occupancy and termination of this Contract.

Any deviation from this Draw Schedule must be approved by the Contractor. Client shall make payment in a timely manner and by no later than ten (10) days after the scope of the work set forth for each Draw has been completed. Payments due and unpaid under the Contract shall bear interest from the date payment is due to the date payment is made at the rate of six (6%) percent or at the prevailing legal interest rate in Jefferson Parish, Louisiana, whichever is greater.

Client shall make all payments by check to FR Renovation, LLC.

Upon completion of the Work and following Client’s final payment (Draw 5), Contractor shall sign a lien release and waiver and shall issue “paid in full” receipt to Client at Client’s request.

3. **Responsibility for Work during Construction.** Prior to completion of the Work, final inspection, and receipt of the Certificate of Occupancy, the Work and all materials incorporated therein shall be covered by a Builders’ Risk Insurance policy purchased by the Client. As described in the Insurance section below, the Builders’ Risk Insurance policy shall (i) name Contractor as an “additional insured” and “loss payee”, (ii) waive subrogation against Contractor, and (iii) be the primary insurance policy that shall specifically cover any materials lost or stolen from the work-site premises and any vandalism to the work-site premises or the Work. The obligations of this section shall be in addition to the obligations set forth in the Insurance section below. Notwithstanding the foregoing, Contractor shall promptly


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repair or replace, at no cost to Client, any uninsured loss or damage to the Work to the extent caused by Contractor's negligence prior to completion of the Work.

- Contractor's Obligations, Representations, and Warranties.** Contractor represents and warrants that it has the competence to perform the Work contemplated hereunder, will perform the Work in conformance with the standards of care and practice appropriate for the nature of the Work, and will exercise the degree of care that is customary in Contractor's industry.


Contractor shall perform the Work in accordance with applicable laws, statutes, ordinances, codes, rules, regulations, and lawful orders of public authorities. Contractor shall promptly notify Client in writing of any known inconsistencies in the Contract with such laws, statutes, ordinances, codes, rules, regulations, and lawful orders of public authorities.

Contractor further warrants that the Work performed and materials supplied hereunder will be of the kind and quality described in this Contract and will be free of material defects. Contractor warrants that the Work shall be carried on to completion without damage to any property of Client. Contractor shall promptly remedy any damage or loss to property to the extent caused by Contractor, or by anyone for whose acts the Contractor may be liable. Contractor shall promptly, and at its own expense, remedy, replace or re-perform (including removal or reinstallation) any part of the Work that proves defective or non-compliant with this Contract, and shall repair or replace any property damaged to the extent caused by such non-compliance. If Contractor does not remedy or replace any such Work, or repair or replace any such damaged property, Client may, in addition to its other available remedies at law or in equity, undertake such remedial work at Contractor's expense. This warranty shall also apply to any replacement work.

- Responsibility for Fees.** Before performing any Work, Contractor shall possess or obtain, at Contractor's expense, all necessary certificates, permits, licenses, and authorizations to perform the Work required under this Contract. Contractor shall comply with and give all notices required by agencies having jurisdiction over the Work.

Except for certificates, permits, licenses, and authorizations that are the responsibility of the Contractor, Client shall obtain and pay for all other necessary approvals, easements, assessments, and charges. Client shall also obtain and pay all deposits and fees for any utility connections required for Contractor to perform and complete the Work. Any change to the scope of the Work after the Effective Date which increase the cost of any certificates, permits, licenses, and authorizations shall result in an overture to the Client.

- Materials.** Contractor shall utilize the materials set forth in the accompanying *Materials Description*, which is expressly incorporated as if set forth fully herein. Because the availability of materials varies, Contractor shall have the unilateral authority and discretion to substitute all materials set forth in the *Materials Description* for materials of the same kind and quality for any reason and at any time.


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7. **Allowances.** Client shall be allowed the allowances set forth in the accompanying *Allowance List*, which is expressly incorporated as if set forth fully herein.

Client will be given the opportunity to select all materials outlined in the *Allowance List*. All selections must be made in a timely manner so as to not affect or delay the Schedule. Any delays caused by Client's failure to timely make selections may result in an adjustment to the Sum and Schedule in Contractor's favor.

If the Parties do not execute an *Allowance List* addendum, then Contractor shall make the selections.

8. **Contractor's Supervision and Procedures.** Contractor will have complete control of and supervision over its employees, tools, and equipment, and the methods and procedures used in the performance of this Contract, or operations incidental thereto. Contractor shall be and operate as an independent contractor in the performance of this Contract, and nothing stated or implied in this Contract shall be construed to make Contractor, nor shall Contractor represent itself to be, an employee or agent of Client or any of its affiliates.

Client shall not direct, instruct, or guide Contractor's employees or subcontractors in any way. Any changes sought by Client shall be presented to Contractor in the first instance.

Notwithstanding anything in this section to the contrary, while Contractor's employees and any subcontractors' employees are performing the Work within the State of Louisiana, the Parties recognize Contractor as the statutory employer of the employees of Contractor and its subcontractors, whether direct employees or statutory employees of Contractor or any subcontractor, in accordance with Louisiana Revised Statute § 23:1061.

9. **Safety.** Contractor is experienced in the performance of the type of work set forth in this Contract and recognizes that it is Contractor's duty to inspect the work-site premises and provide the necessary tools and equipment to ensure that the Work can be done safely. Contractor is not obligated to perform the Work if it cannot be performed in a safe manner.
10. **Site Maintenance.** Contractor shall at all times keep the work-site premises in a neat, clean, and safe condition. Upon completion of the Work and before final payment is made, Contractor shall, at its expense and in a timely manner, satisfactorily dispose of rubbish, debris, trash, unused materials, and other tools, equipment, machinery, and materials belonging to Contractor or used in the performance of the Work, and leave the premises in a neat, clean, and safe condition. If Contractor fails to comply with the foregoing, the same may be accomplished by Client at Contractor's expense.
11. **Insurance.** Without limiting any obligations or liabilities of Contractor under this Contract, during the course of the Contract, Contractor shall provide and maintain, at its own expense and without reimbursement, minimum insurance coverage as follows:



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
- (a) Workers' Compensation Insurance in accordance with all applicable state, federal, and maritime laws, including Employer's Liability Insurance in the amount of not less than \$500,000.00 per accident. In states that permit exemptions or rejection of Workers' Compensation insurance, Contractor may, for purposes of this Contract, elect not to maintain Workers' Compensation Insurance, but only to the extent that Contractor remains in compliance with applicable state law.
- (b) Commercial General Liability Insurance including contractual liability coverage for liability assumed under this Contract, and personal injury coverage, with a combined single limit of \$1,000,000.00 per occurrence for bodily injury and property damage.

For each of the policies required above, Contractor shall (i) obtain an endorsement which names Client as an "additional insured" and "loss payee" with respect to Contractor's performance under and liability arising from this Contract and to the extent of the risks and liabilities assumed by Contractor in this Agreement, (ii) waive subrogation against Contractor, and (iii) be the primary insurance policy that shall specifically cover the respective certain types of risks and liabilities. Upon execution of this Contract, Contractor shall provide Client with Certificates of Insurance evidencing that Contractor has obtained the insurance coverage required under this Contract.

Client shall also obtain a Builders' Risk Insurance policy to cover the value of Client's property, including any Work performed under this Contract, as it is completed. Materials stored on the work-site premises shall be considered part of the Client's property for purposes of this insurance obligation. Client shall carry Builders' Risk insurance on the property during construction in an amount equal to 100% of the Sum. For these purposes, Client's Builders' Risk Insurance policy shall (i) name Contractor as an "additional insured" and "loss payee", (ii) waive subrogation against Contractor, and (iii) be the primary insurance policy that shall specifically cover any materials lost or stolen from the work-site premises and any vandalism to the work-site premises or the Work. Upon execution of this Contract, Client shall provide Contractor with a Certificate of Insurance evidencing that Client has obtained the insurance coverage required under this Contract. Contractor is entitled to receive an increase in the Sum equal to the insurance proceeds related to a loss for damage to the Work covered by Client's insurance.

Contractor shall not commence performance of the Work until all of the insurance required under this Contract is in full force, and the required Certificates of Insurance have been exchanged by the Parties. Compliance with these insurance provisions is hereby expressly made a condition precedent to the obligation for Contractor to perform the Work and the obligation for Client to make payment for any Work performed. The minimum insurance requirements set forth above shall not vary, limit, or waive the Parties' legal or contractual responsibilities, or liabilities to any person.

- 12. **Indemnity.** To the extent Client, or any person associated or affiliated with Client, including Client's family members, visitors, or guests, and any real estate agents or prospective buyers, seek to visit the work-site premises during construction, then as a condition precedent to this Contract, Client must execute the accompanying *Assumption of Risk; Waiver; Release; Indemnification; and Hold Harmless*


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Agreement, which is expressly incorporated as if set forth fully herein.


13. **Termination by Contractor.** If Client fails to make any payment as provided for in this Contract for a period of fourteen (14) days after the deadline to make such a payment, the Contractor may, upon an additional seven (7) days' written notice to Client, terminate the Contract and recover from Client payment for the Work performed including reasonable overhead and profit, and costs incurred by reason of such termination. Client shall also be responsible for any consequential losses sustained by Contractor arising out of the termination of this Contract for non-payment, which shall specifically include reasonable overhead and profit, and costs incurred by reason of such termination.
14. **Suspension or Termination by Client.** Client may, at any time, terminate the Contract for Client's convenience and without cause upon written notice to Contractor. Client must provide Contractor its notice of intent to terminate this Contract at least seven (7) days before termination becomes effective. Should Client terminate the Contract without cause, then Client shall be responsible for any consequential losses sustained by Contractor arising out of Client's termination of this Contract, which shall specifically include reasonable overhead and profit, and costs incurred by reason of such termination.

Client may suspend all or any of the Work upon prior written notice to Contractor. Within ten (10) days from a subsequent written notice from Client to Contractor to resume work, Contractor shall submit a written invoice to Client setting forth any actual and reasonable increases in Contractor's costs resulting from the suspension, and Client shall reimburse Contractor for such costs, subject to Client's right to contest in good faith the accuracy of the costs. Client may also be liable for other costs, claims, damages, or liabilities resulting from the suspension.

If Contractor shall abandon the work-site premises for a period greater than twenty-one (21) days, then Client may terminate this Contract. Client must provide Contractor notice of intent to terminate this Contract at least seven (7) days before termination becomes effective. Upon receipt of Client's notice of intent to terminate Contract, and to avoid termination, Contractor may return to job site to continue work before the date that the termination becomes effective. In the event of a termination of this Contract, Client shall pay Contractor for acceptable performance of the Work to the date of termination.

Termination shall not relieve either Party of its obligations arising out of this Contract in connection with the work performed prior to termination.

15. **Governing Law.** The validity, interpretation, and effect of this Contract shall be governed by and construed in accordance with the laws of the state of Louisiana.
16. **Mandatory Mediation; Exclusive Venue and Jurisdiction.** All claims, disputes, and controversies arising out of or in relation to the performance, interpretation, application, or enforcement of this Contract or the Work, including but not limited to the breach thereof, shall be referred to mediation before, and as a condition precedent to, the initiation of any adjudicative action or proceeding in a court


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of competent jurisdiction. **THIS AGREEMENT TO MEDIATE IS MANDATORY.**

The demand for mediation shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, and in no event shall it be made after ninety (90) days from when the aggrieved Party knew or should have known of the controversy, claim, dispute or breach. If, during the mediation, a Party makes a written offer of compromise to another Party which is not accepted by the other Party, and the refusing Party fails to obtain a more favorable judgment or award, the refusing Party shall pay all of the offering Party's costs and expenses, including reasonable attorneys' fees, incurred from the time the offer is refused. Contractor and Client agree that this mediation is non-binding and is an informal effort to resolve any dispute prior to litigating. Any mediation shall be conducted exclusively in Jefferson Parish, Louisiana by a mediator agreeable to both Parties.

THIS AGREEMENT TO MEDIATE SHALL BE A CONDITION PRECEDENT TO LITIGATION, SPECIFICALLY ENFORCEABLE, AND A PARTY SHALL BRING SUIT EXCLUSIVELY IN THE 24TH JUDICIAL DISTRICT COURT FOR THE PARISH OF JEFFERSON, LOCATED IN GRETNA, LOUISIANA, A COURT OF COMPETENT JURISDICTION, FOR ANY INTERIM OR CONSERVATORY RELIEF, INCLUDING, A PROCEEDING TO COMPEL MEDIATION OR TO ENFORCE AN AGREEMENT REACHED DURING MEDIATION.

If the mandatory mediation fails, or if the mandatory mediation clause above is deemed to be invalid or unenforceable, then any judicial proceeding arising out of, related to, or brought in connection with this Contract, the Work, or the relationship between the Parties shall be brought in 24th Judicial District Court, a court of competent jurisdiction, and both Parties hereby: (a) accept, generally and unconditionally, the exclusive jurisdiction of the 24th Judicial District Court for the Parish of Jefferson and any related appellate courts, and irrevocably agree to be bound by any judgment rendered thereby, subject to any right of appeal, and (b) irrevocably waive any objection to personal jurisdiction, venue, or otherwise, that they may now or hereafter have as to any such proceeding brought in the 24th Judicial District Court for the Parish of Jefferson, or any objection that the Court is an inconvenient forum.

All costs incurred by Contractor to collect any unpaid portion of the Sum, including court costs and attorneys' fees, shall be recoverable from Client.

- 17. **Notices.** Any notice, demand or request required or permitted to be given in connection with or under the provisions of this Contract shall be made in writing and shall be given to the other party by personal delivery, e-mail delivery with delivery receipt requested, certified mail delivery, postage prepaid, or by recognized overnight delivery services, to the addresses set forth for each Party below. Any such notice shall be effective when received.

Client: MG Liberty, LLC
500 Westover Dr. #16457
Sanford, NC


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Email: MGliberty@gmail.com

Contractor: FR Renovation, LLC
c/o Fanor Rosales
317 Elmeer Ave.
Metairie, Louisiana 70005
Email: frosal23@gmail.com

18. **Severability.** If any clause or provision of this Contract is held by a court of competent jurisdiction to be illegal or void, the validity of the remaining portions and provisions of the Contract shall not be affected, and the rights and obligations of the Parties shall be enforced as if the Contract did not contain such illegal or void clauses or provisions.
19. **Waiver.** A waiver by any Party of any provision, term, or portion thereof in any one instance, or the failure by a Party to insist on strict performance of any provision, term, or portion thereof in any one instance, shall not be deemed or construed to be a waiver of such provision, term, or portion thereof for any similar, subsequent instance, or as a basis for excusing the performance of any provision, term, or portion thereof.
20. **Assignability.** This Contract is personal to the Parties and shall not be assigned or transferred by either Party, including without limitation, by operation of law. Any attempt on the part of Client to assign, sell, or transfer its rights under this Contract, except as provided herein, shall be invalid and void.
21. **Entire Agreement; Modification.** This Contract, and its proposals, specifications, or similar documents referenced herein, constitute the entire and integrated agreement between the Parties. Referenced documents are intended to be complimentary; however, any conflicts between the body of this Contract and the provisions of documents referenced herein shall be resolved in favor of the terms and conditions in the body of this Contract.

The rights and obligations of the Parties hereunder shall be subject to and governed by this Contract, which may only be altered, amended, or modified by a written instrument executed by both Parties, except as described above regarding any “overtures”. This Contract terminates and supersedes all prior negotiations, representations, understandings, or agreements, either written or oral, on the subject matter hereof.

22. **Counterparts.** This Contract may be executed in .pdf or facsimile format in any number of counterparts as may be necessary, each of which shall be deemed an original and all of which together shall constitute a single instrument, notwithstanding that all Parties are not signatories to the original or same counterparts.

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Client Initials



CLIENT 1

CONTRACTOR

By: Stephen Mac

By: Fanor Rosales

Signature: 

Signature: Fanor Rosales

Date: Sep 1, 2022

Date: 8/30/2022

CLIENT 2

By: Ayush Gupta

Signature: 

Date: September 1, 2022

Client Initials