

BUILDING CONTRACT BETWEEN OWNER AND CONTRACTOR

STATE OF LOUISIANA

PARISH OF ORLEANS

UNITED STATES OF AMERICA

This contract is made this 24th day of August 2022 between:

THE OWNER(S): Hartkahn Properties LLC

AND THE CONTRACTOR: PJK Construction LLC 118 Laurelwood Dr Covington, LA 70433

1. Contractor does hereby agree with the Owner to complete and finish, in accordance with the conditions hereafter set forth, in a good workmanlike manner, and to deliver to Owner, free from all claims and/ or liens a completed home in accordance with the plans and specifications, with the exceptions outlined in Addendum B, which are agreed upon by and between the Owner and Contractor, on the property of the Owner which is described briefly as: 2938 Audubon St New Orleans, LA 70125.

2. Said work is to be done in accordance with the plans by Larry Trumbaturi drawings and specifications, with the exceptions outlined in Addendum B, a copy of which annexed hereto, it being understood that the terms and conditions of this contract shall prevail should there be any conflict between it and the specifications.

3. The following are included, as part of this fixed price contract, all the costs for permits, warranties, surveys, labor, materials and equipment used for the constructions of the Project. Contractor shall use his best efforts to complete the work, free and clear from all liens and all claims for labor and materials in good repair, constructed to meet all local standards and Parish and State codes, within two hundred (270) days of the beginning of construction. The beginning of construction shall be defined by Contractor obtaining a local building permit for said Project. Completion is defined as the issuance of the final zoning compliance by the Parish of Jefferson. This time limit is automatically extended due to acts of God, severe weather, delays caused by Owner in making selections, or backorders of materials beyond Contractor's control. In the event of a natural disaster or terrorist attack which may have a similar effect on pricing as Hurricane Katrina did, Contractor has the right to stop work until such time that pricing stabilizes within ten percent of quoted pricing. In the event that pricing does not stabilize, Contract shall be renegotiated between Contractor and Owner.

4. Contractor will supply the Owner with allowances as part of this contract, which shall be listed below. If not listed in the below allowances, it is not to be included in the build of this project. If Owner stays under said allowances, Owner shall be given a credit in the amount of the savings. If Owner goes over said allowances, Owner shall pay the overage at the time of purchase "out of pocket". This amount shall be over and above the contracted price. Non-allowance items in attached estimate shall have no bearing on final price of said home.

Allowances:

1. Fill \$1,500.00

- 2. Exterior Doors \$1,500
- 3. Plumbing Fixtures, tubs, faucets, water heaters, etc.....\$5,000.00
- 4. Electrical Fixtures \$4,000.00
- 5. Gas Light\$0
- 6. Cabinets \$8,000.00
- 7. Hardware, mailbox, doorknobs, numbers..... \$700.00
- 8. Countertops \$2000.00
- 9. Flooring material and labor..... \$12,000.00
 - Tile
 - Engineered Wood or LVT
 - Master shower floor and walls with Schluter Waterproofing System
 - Tile for the shower and tub walls
- 10. Appliances range, hood, microwave, fridge if in budget..... \$5,000.00
- 11. Mirrors \$500.00
- 12. Landscape, basic garden in front.....\$1,000.00
- 13. Interior Spindles and railings.....\$500

Total Allowances: \$41,700 to be included in price

Proposed Contract Price: \$253,000.00

5. Owner shall disperse to Contractor all funds received from the five (5) draws of construction loan in order for Contractor to pay the bills incurred by the Project. Funds shall be deposited into Contractor's operating account. Contractor shall be responsible for paying, all bills authorized by Contractor and directly related to said project, with monies received from Owner. At the completion of the project if a line from allowances are under budget then any excess funds will be returned to the owner within 30 business days of occupancy.

6. In consideration for Contractor's construction of said home. The Owner shall pay Contractor the sum of: **\$ 253,000.00**. Said fee shall be paid to the Contractor in the following manner:

1st Draw: \$40,000.00

Lot must be cleared and filled. Pilings and/or slab poured. Sub plumbing is in place. Inspections will be made after slab is poured and accepted.

2nd Draw: \$40,000.00

House should be "framed in". All walls and roofs framed and with all windows set in place. Sheet should be installed on roof.

3rd Draw: \$40,000.00

Rough plumbing and electrical installed, shingles put on roof and air conditioning roughed in. Insulation installed.

4th Draw: \$40,000.00

House should have exterior walls installed. The sheetrock should be hung, taped, floated, sanded, and ready for painting. Any fireplaces should be installed and all sub-flooring should be complete and ready for carpet and/or flooring.

5th Draw: \$40,000.00

(This draw is to be taken in three payments.)

1st Payment: \$20,000.00

Cabinets, granite, plumbing and electrical fixtures, and ceramic tiles to be installed. Basic interior trim installed.

2nd Payment: \$15,000.00

Home should be in move-in condition and completed with the exception of punch list items.

This draw must be received by contractor before any personal items are moved into the home.

3rd payment: \$5,000

Punch list items should be completed

These payments shall be made on the provision that in each case, at each draw, all work is to be done in accordance with the contract, drawings, and specifications, and that the payments are promptly due, in the opinion of lender's inspector, or if there is no lender, in the opinion of the inspector mutually selected by the parties prior to the commencement of construction. In the event of a dispute between the parties about defective workmanship or for persistent failure to carry out work in accordance with the plans and specifications, the full amount of payment due cannot be withheld but only that amount that bears a reasonable relation to the value of the work in dispute may be withheld.

7. Owner will carry builder's risk and flood insurance satisfactory to construction lender and shall have construction lender named on the said builder's risk and flood insurance policy as loss payee and insured during the entire construction period. Contractor agrees to carry workman's compensation and general liability insurance in a good and solvent company.

8. In the event that utility hookups such as sewer and/or water are not available at the proposed building site, Contractor will not be responsible for paying for said services. Utility services to the lot shall be the responsibility of the Owner. Temporary electric pole will be provided by the builder owner

to be responsible for monthly service fee. Additionally, soil boar (if necessary) will fully be the responsibility of the owner.

9. Owner agrees that the final zoning compliance certificate issued by the Parish evidences completion of the job. Owner binds and obligates himself/themselves that upon the substantial completion of the work, a formal notice of substantial completion will be signed for a recordation with the Clerk of Court, Jefferson parish, to commence the statutory lien period. The signing of the notice of substantial completion shall not operate as a final acceptance and release of the Contractor of its obligation to complete the construction in accordance with the plans and specifications or to complete items on the "punch list" compiled and signed by the parties. As to the "punch list" matters, which may not be completed when the occupancy certificate is issued, the parties agree that when the said certificate is issued an inspection shall take place, and a "punch list" will be compiled and signed by the parties. The Contractor shall complete and such items within thirty (30) days thereafter. The Owner agrees to the submission of one (1) punch list. No punch list will be accepted after sixty (60) days of occupancy. This, however, does not affect any warranty work needed to correct defects in workmanship.

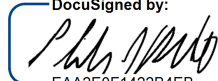
10. If an Owner fails to make payment when due, or violates any other conditions of the Contract, the Contractor may, upon twenty-one (21) calendar days' written notice to the Owner, terminate the Contract and recover from the Owner payment for all work performed and for all damages, including reasonable profit, attorney's fees, and court costs. In the event the Contractor persistently fails to carry out work in accordance with the plans and specifications, the Owner may, upon twenty-one (21) calendar days' written notice to the Contractor, refer the matter for settlement in accordance with Paragraph 11.

11. Any controversy or claim arising out of or related to this agreement or the performance or breach thereof shall be settled by final and binding arbitration in accordance with the Rules for the Expedited Arbitration of Residential Construction Disputes of Construction Arbitration Services and the Louisiana Binding Arbitration Law, Louisiana Revised Statutes 9:4201 et seq. Costs and charges for attending such reference shall be paid by the non-prevailing party.

12. Contractor and Owner/Purchaser herein acknowledge that since the improvements shall be new construction, the warranties made by Contractor in connection herewith, shall be exclusively those of the Louisiana New Home Warranty Act. Nothing contained in this Contract and agreement or the plans and specifications or any modification thereof or any "punch list" hereafter made shall be interpreted to limit, expand, or extend the warranties contained in the Louisiana New Home Warranty Act.

13. This contact shall be binding only after the owners secures necessary financing and receives final approval from the necessary municipalities for the construction of the home in accordance with the drawings and specifications.

OWNER:

DocuSigned by:


EA2E0F1422B4EB
Hartkahn Properties LLC by Philip J Kahn II

9/3/2022 | 3:19 PM PDT

Date

CONTRACTOR:

DocuSigned by:

PJK Construction LLC by Philip J Kahn II

9/3/2022 | 3:19 PM PDT

Date

Construction Details and Specifications

Description:

The Proposed home will be constructed according to plans by Larry Trumbaturi.

The Following shall apply:

1. The following items are included in Builder's price and will be paid for by Builder out of the contract:

- a. Worker's Compensation Insurance
- b. General Liability Insurance
- c. Portable Toilet and Debris removal
- d. Final Cleaning

2. The following items are not included in the Builder's price and will be paid for by Owner.

- a. Building permit
- b. Water meter setup, deposit, and monthly bill (1" meter)
- c. Builder's Risk Insurance
- d. Construction financing, including fees, closing costs, and interest for the construction loan. Buyer will obtain construction financing at Buyer's expense.
- e. The cost of water, sewer, and gas permits, deposits, and consumption charges.
- f. Flood insurance premiums.
- g. Electric deposit and monthly bill maintenance
- g. Survey Package
- e. Plans

General Addendum B Items included in contract price

1. (1) Digital live stamp plan, (5) sets of hard copy plans and (2) original sets of stamped plans.
2. Water supply to be aquatherm or pex, (2) 40 gallon water heaters. Plumbing layout to be done by Contractor.
3. AC units will be 14 seer Bryant or equivalent 2 with flex duct. Subcontractor layout to be used.
4. Venting on roof to be whirlybirds.
5. Window protection will not be included.
6. Termite treatment will be Premise or equivalent. The initial treatment will be done by Contractor and the annual renewal will be the responsibility of the of the owner.
7. Windows to be Mi or equivalent standard colors single hung vinyl or equivalent 18" off ground minimum. Grids optional on windows facing the street.
8. Brick allowance to be \$400.00 per thousand for front porch, white mortar. Standard running pattern brick on porch.
9. 6 coax/cat6 drops will be included.
11. Insulation will be fiberglass batts in exterior walls (R-13), and blown insulation (R-30) in attic.
13. Generator/transfer switch will not be included in project. No gas lines run for generator.
14. Incoming water line will be 1"and meter to be paid for by owner, plumber will include lines from meter to house.
15. No crown molding to be provided downstairs. No crown upstairs or in closets or pantry.
16. Interior doors to be Masonite hollow core doors, sized as shown.
17. 5¼ inch MDF base to be used Four-inch window casing to be used.
18. Finished floor height will be a minimum of 1" above the Base Flood Elevation.
19. Roofing will be Atlas Pinnacle brand architectural shingles. Underlayment to be 30 pound felt or synthetic.
20. Cabinet detail drawings shall be used as a guide only. Owner will pick out all cabinetry based on allowances given.
21. Driveways, walkways, and patio will be broom finished concrete.
22. All walls and ceilings will be drywall, level 3 finish with light orange peel, Paint will be Sherwin williams or Helm Paint mid-grade, flat on ceilings, eggshell on walls, satin on trim. Two colors will be included. Each additional color is \$150.00 extra. All closets will be painted same color as ceiling. Square corner bead and windows wrapped on 3 sides with drywall.
23. Standard 200-amp main service will be provided; main breaker panel will be located inside the house. Circuit, receptacle, and lighting diagrams will be followed, but all other special grounding and

extra electrical sub panels and generator extras will not be provided. 6" halo cans or equivalent will be provided.

24. Interior stair treads will be red oak with painted risers.

25. Soffit, fascia and beaded porch ceilings will be Vinyl.

26. Final grade will be sod ready and sod will be included. Lot shall be graded to drain to street

27. Owner will be responsible for the costs of removing trees, any subsurface obstructions (old slab, or old pilings) if necessary.