

YOUR COMPANY

CONSTRUCTION LUMP SUM CONTRACT

This Construction Contract is entered into on the 1ST day of April, 2006, by and between YOUR COMPANY (Contractor), a Louisiana Limited Liability Company whose principal place of business is located at 112 Innwood Dr. Suite H XXXXX, XX XXXXX and XXXXXX (Owner), whose social security number is TBD respectively, whose address TBD.

1. **LOCATION:** Owner agrees to purchase the immovable property known as Lot TBD Forest Brook Estates Subdivision located in XXXXXX, XXXXXXX.
2. **SCOPE OF WORK:** Contractor shall construct, in a good and workmanlike manner, for owner the dwelling prepared by R.D.D. and Tech Con. The Dwelling and all improvements appurtenant thereto shall be constructed by Contractor in accordance with the (1) plans and specifications prepared by R.D.D. and Tech Con, R.D.D. plan number RD060110 and Tech Con plan number TBA RD060110 attached hereto as Exhibit A and Tech Con to be drafted when work commences and known as Exhibit B and made a part hereof. (2) All applicable building codes and restrictions controlled by Parish and or authorities for the said location. (3) All legal requirements.
3. **WORK SITE:** The Dwelling shall be constructed on the Property of Owner described in the attached Exhibit C. Owner hereby authorizes Contractor to perform the usual and customary excavation and grading on the Property as may be required in the judgment of the Contractor described in Exhibit D to complete the construction of the Dwelling and all improvements appurtenant thereto in accordance with the plans and specifications described in Exhibit A&B. Owner agrees to clear and fill the said property to an accepted grade by the contractor. The contractor therefore is relieved of this responsibility financially.
4. **PERMIT:** Contractor shall apply for and secure all permits and licenses, and shall pay all permit fees, necessary for the construction of the Dwelling, excluding a Sewer Permit and other permits not related the construction if needed.
5. **LABOR, MATERIALS, AND EQUIPMENT:** Contractor agrees to furnish all labor, equipment, and materials necessary for the construction of the Dwelling, and to deliver the Dwelling free and clear from any liens and claims for labor and/or materials.

Owner is not allowed to purchase anything directly or hire labors for any reason, also the owner is forbidden to perform any work on the property without a written request to Ventura Homes and a signed approval displaying any additional charges or rebates, charges to be paid before work begins or material ordered. Ventura Homes assumes no responsibility regarding workmanship, cost, or delivery of said items if a written request is not provided and approved. Approved actions by the owner shall place the owner responsible for any liens related to those actions.

6. **SOIL CONDITIONS:** Contractor shall have no responsibility for the condition of the soils on the Property. Any excavation, filling or other work required by the Owner other than the usual and customary excavation and grading explained in Exhibit D shall be an additional expense of Owner. Owner shall determine before construction begins if additional site work is required because of the soil conditions on the Property and shall provide Contractor written specifications as to such additional site work. Contractor shall not be responsible for any damages suffered by Owner as a result of the soil conditions at the work site.
7. **WETLANDS:** Owner is fully responsible for obtaining wetlands determination. Contractor has made no representations to Owner in respect to whether or not there are any wetlands on the Property. Owner shall be fully responsible for any damages suffered by Owner or Contractor as a result of said Property being wholly or partially determined to be wetlands.
8. **INSURANCE:** Contractor shall maintain Workers Compensation Insurance, Commercial General Liability Insurance and Builders Risk Insurance. Owner if required will provide and be responsible for Flood Insurance or other insurances not related to the construction.
9. **SURVEY AND TITLE:** Prior to commencement of construction, Owner shall provide Contractor with a Contractors Survey (Builders Package) performed by a licensed surveyor, and the Act of Sale conveying ownership of the Property onto Owner.
10. **CHANGES TO SCOPE OF WORK:** Should Buyer, at any time prior to or during the progress of the work request any modifications, alterations, deviations in, additions to, or omissions from, this contract or the Construction Documents, Buyer shall request, in writing, that Seller undertake such Changed Work. Upon written directive by the Buyer, if the Buyer and the Seller agree on the cost of the modifications, they shall sign a written Change Order describing the changes to be made, any extra work to be done and any changes to the contract price or completion date and the Change Order shall become part of this contract and adjust the

11. BUYERS _____ BUILDER _____

contract price accordingly. Buyer agrees if the change decreases the contract price it shall be adjusted and rebated in the final invoice. Buyer agrees to make requests concerning any changes, additions or alterations in the work in writing directly to the Seller named in this Contract and not to the workers, including subcontractors and subcontractors' workers, on the job. If more than one Buyer is involved, Buyers agree that either of them

may sign the Change Order and that the signature of one is binding on the other. Any change orders requested by Buyer and approved by Seller shall be paid for by Buyer as follows: All amounts for additional improvements shall be due and payable to Seller in cash prior to commencement of the change and or non refundable if buyer defaults contract. Buyer will be responsible if extended time is needed, at contractor's discretion for a per diem interest charge if applicable calculated by seller in accordance with any interim construction loan regarding said property and or additional overhead fees including but not limited to Construction Managers additional hours, insurance cost, clerical or legal expense, vendor or sub contractors uncalculated extra cost, etc.

11. **CONSTRUCTION PRICE AND CONTRACTORS FEE:** Owner agrees to pay Contractor the total amount of \$290,000.00 for the cost of the Project. Owner and Contractor agree that Owner shall have Allowances for specific items as set forth in Exhibit E. The contract price of \$290,000.00 shall be equitably adjusted for Change Orders which have been approved in writing by Owner and Contractor. A non refundable deposit of \$29,000.00 has been received. This will leave a balance to the contract price of \$261,000.00 to be paid in five equal draws described in Exhibit F by the method described in section 14. This price is subject to both parties agreeing on specs and SBA loan approval for owner. A 10,000.00 contingency has been placed in the price for possible overages.
 12. **TIME OF COMPLETION:** Upon receipt of a written notice to proceed from Owner, and a copy of Owners executed Act of Sale for Property, Contractor agrees to commence construction on the Project and shall complete construction within 210 working days thereafter. If no written consent is provided the contractor shall assume the date the foundation is poured as the start date. The time for completion may be extended because of inclement weather, customer change orders, and customer delays on but not limited to selections, providing of material or documentation, etc., or because of other factors which are not under the control of the Contractor or the subcontractors hired by the Contractor for the Project. If owner does not in writing request compensation at the lapsing of the above time frame he therefore forfeits his right to request payment from contractor for all dates prior to the date a written request is received.
 13. **DAMAGES FOR DELAY:** Contractor agrees to reimburse Owner for any and all interest payments he incurs on the contract price, after deposit, portion of the Construction loan which are due to Contractors failure to complete the Project within the date specified herein in Section 12 above.
 14. **TIME OF PAYMENT:** Contractor will notify owner, in accordance with YOUR COMPANY Draw Schedule shown in Exhibit F three days before completion. Payment will be required on day of completion or the following morning, or three days after notice of completion. A check or deposit of funds if applicable is acceptable. The owner agrees that the financial institution issuing the monies shall solely be responsible for distributing the funds to the contractor. If there is a reduction the contractor shall, with proper change orders, deduct the draw amount.
 15. **CONSTRUCTION LIENS:** Contractor shall be responsible for removing all liens on the Property resulting from the construction of the Project within seventy-two (72) hours after Owners written demand for removal of same, and shall hold harmless, indemnify and agree to defend Owner from his refusal or inability to do so, or failure to pay laborers, material men and subcontractors all lawfully sums due. This excludes any liens which are the responsibility of the owner as stated in section 5.
 16. **COSTS OF PREPARING CONSTRUCTION CONTRACT:** If applicable, owner and Contractor shall split fee to contractor's attorney for preparing construction contract.
 17. **UTILITIES AND DUES:** Builder shall not be responsible for connections, payments, and any additional fees applicable. Owner shall be responsible for all deposits. Builder is not responsible for water wells or septic tanks unless otherwise noted. All neighborhood or other dues not directly related to the substrate or actual construction is the responsibility of the owner.
 18. **BREACH OF AGREEMENT:** If Contractor fails to comply with this agreement within the time specified, Owner shall have the right to demand specific performance or to declare this agreement terminated. If Owner fails to comply with this agreement, Contractor shall have the right to demand specific performance or to terminate this agreement.
 19. **NOTICES:** All notices hereunder shall be in writing and sent by registered or certified mail, postage prepaid, or hand delivered to the respective parties as follows:
 - a) **OWNER:**
TBD
TBD
TBD
 - b) **CONTRACTOR:**
YOUR COMPANY
- BUYERS _____ BUILDER _____
20. **NEW HOME WARRANTY ACT:** This agreement is subject to the New Home Warranty Act and the parties have any and all rights they may be entitled to pursuant to same.
 21. **MATTERS NOT ADDRESSED:** Any matter not specifically addressed herein which cannot be resolved by discussion between the parties, shall be resolved by reference to AIA Form A-201, General Conditions to the

Contract, 1997 Edition.

IN WITNESS WHEREOF, the parties have signed this agreement.

CONTRACTOR:

YOUR COMPANY

YOUR NSME
PRESIDENT/GENERAL CONTRACTOR

WITNESSES:

OWNER:

