

Construction Lending Support (CLS)

Project
Name _____

City/State _____

OWNER-BUILDER CONSULTING AGREEMENT

1. **DEFINITIONS** - The words “you”, “your”, “yours”, “I”, “me”, “my” and “mine” mean the person(s) who signs this Agreement as the Customer/Owner Builder/General Contractor; and

The words “we”, “us” and “our” means Constructionplace.com, Inc. a California Corporation, which does business under this Agreement as CLS. We are the consultants in this transaction.

2. **AGREEMENT TO TERMS** - In this Agreement, you agree to pay us the Consulting Fee described in one of the following sections selected by you. You also agree to all the terms of this Agreement.

A. REMOTE CONSULTING SERVICES ON DEMAND - We agree to provide consulting services by e-mail or telephone and receive payment for those services. You must contact us each time you need or want our assistance. Our fee for this section is based upon the amount of your construction loan or construction cost estimate initialed and accepted below, and does vary based on how much or how little you seek our advice. Our services under this section consist solely of advice, guidance and consultation preferably by e-mail and alternately by phone when initiated by you regarding questions you ask about building your project. This may include, but not necessarily limited to, questions relating to: During the **Preconstruction Phase** assistance with your construction budget worksheet or cost to build statement, identifying suitable contractors or support professionals in the area, land acquisition, property profile or description of materials, blue prints, and project schedule. And during the **Construction Phase** assistance processing contractor payment requests, managing change orders, and project closeout. In each case consulting assistance is to be utilized as desired and initiated by you through e-mails or telephone calls to our home office.

CONSTRUCTION LENDERS – I understand that under this section I can request CLS to locate suitable construction lenders for my project. I further understand that I am under no obligation to use any construction lender(s) suggested by CLS; and that I have the right to use any construction lender of my choice.

AUTHORIZATION TO PROCESS ON-LINE/OFF-LINE DRAW REQUESTS – I hereby agree to give CLS administration team authorization to submit a draw request for the CLS Consulting Fee to be paid after construction loan closing. I also give the CLS administration team authorization to contact the lender by phone or e-mail to discuss my construction loan draws as needed. In some cases I may request that CLS assist me in forwarding additional construction loan draws to the lender/title company. In those cases, I give the CLS administration team the authorization to process my draw requests. In any case, CLS shall never receive money from my construction loan other than the CLS Consulting Fee described in this section of this Agreement.

AGREEMENT TO PAY – For these services the consulting Fee agreed upon is 2.75% of the construction loan amount or a minimum of \$6500.00, whichever is greater. Payment of this Consulting Fee is due in full at Construction Loan Closing. Payment will be made from your construction loan in accordance with the Line Item (cost to build) Budget. By signing this Consulting Agreement and initialing this section you give the CLS administration team authorization to make an on-line draw to pay the Consulting Fee at or after construction loan closing.

Fee example:

Construction loan amount	X	Percentage Fee	=	Amount due at closing
\$500,000.00		2.75%		\$13,750.00

This section and this Agreement shall terminate on the date of the final building department sign off.

My initials here _____ acknowledges my selection and acceptance of this section of this Agreement.

B. REMOTE CONSULTING SERVICES ON DEMAND - We agree to provide consulting services by e-mail or telephone and receive payment for those services. You must contact us each time you need or want our assistance. Our fee for this section is based upon the amount of your construction loan or construction cost estimate initialed and accepted below, and does vary based on how much or how little you seek our advice. Our services under this section consist solely of advice, guidance and consultation preferably by e-mail and alternately by phone when initiated by you regarding questions you ask about building your project. This may include, but not necessarily limited to, questions relating to: During the **Preconstruction Phase** assistance with your construction budget worksheet or cost to build statement, identifying suitable contractors or support professionals in the area, land acquisition, property profile or description of materials, blue prints, and project schedule. And during the **Construction Phase** assistance processing contractor payment requests, managing change orders, and project closeout. In each case consulting assistance is to be utilized as desired and initiated by you through e-mails or telephone calls to our home office.

My initials here _____ acknowledges my acceptance of the Construction Costs Estimate amount of \$ _____

AGREEMENT TO PAY – For these services the consulting Fee agreed upon is 2.75% of the above Construction Costs Estimate or a minimum of \$6,500.00, whichever is greater. Payment of this Consulting Fee is due as follows: 50% upon signing this agreement and 50% upon the start of construction. All payments will be made by check, wire transfer or credit card payable to Constructionplace.com, Inc.

Fee example:

Construction Costs Estimate X	Percentage Fee =	Fee Amount	Amount due upon signing this agreement	Amount due upon start of construction
\$500,000.00	2.75%	\$13,750.00	\$6,875.00	\$6,875.00

TEN PERCENT (10%) CONTINGENCY RULE – I agree to pay the Percentage Fee on all Actual Construction costs over the Construction Cost Estimate.

Additional Fee Example:

Construction Cost Estimate X	Percentage Fee =	Fee Amount
\$500,000.00	2.75%	\$13,750.00
Plus 10% Contingency		
\$550,000.00		
Actual Construction Cost		
\$600,000.00		
Actual Construction Costs over Contingency X	Percentage Fee =	Fee Amount
\$50,000.00	2.75%	\$1,375.00

This section and this Agreement shall terminate on the date of the final building department sign off.

My initials here _____ acknowledges my selection and acceptance of this section of this Agreement.

C. COURSE OF CONSTRUCTION CONSULTING SERVICES - We agree to provide consulting services and receive payment for those services. You must contact us each time you need or want our assistance. Our services under this section consist solely of the attached **Exhibit B (Scope of Work)**.

AGREEMENT TO PAY – In consideration of the performance of this Agreement, you agree to pay us in current funds as compensation for our services a Consultant’s fee as set forth below:

- PERCENTAGE OF CONSTRUCTION COSTS:** I will pay a Percentage Fee equal to _____ (____%) of the Construction Cost. Construction Cost is defined as the cost of all of the construction portions of the PROJECT, based upon the sum of the construction contract(s) and other direct construction costs. Construction cost does not include the compensation paid to the architect or engineer and consultants, the cost of the land, rights-of-way or other costs which are defined in the contract documents as being the responsibility of the Owner;
- FIXED FEE:** I will pay you a Fixed Fee as follows:
 - Cost Evaluation Fee: \$ _____ for the initial review and evaluation of project costs or budget.
 - Setup Fee: \$ _____ for assembling project documentation, one meeting with you and your contractor for the purpose of developing site visit procedures.
 - Site visit Fee: \$ _____ for each site visit we make to the project site.
- HOURLY:** My initials here _____ means that I agree to pay the hourly fees for services rendered under this Agreement in accordance with the attached **Exhibit A**.
- REIMBURSABLE EXPENSES:** My initials here _____ means that I will pay the Reimbursable Expenses in Accordance with the attached **Exhibit A**.
- ADDITIONAL SERVICES:** My initials here _____ means that I understand that any services beyond those services in Exhibit B are additional services and that I will be invoiced as set forth in Exhibit A. I further understand that you reserve the right to refuse any of my additional service requests at you sole discretion.
- RETAINER:** My initials here _____ means that I understand that I will pay a retainer in the amount of \$ _____ immediately upon signing this agreement. I further understand that this retainer shall remain unchanged and will be deducted from your final payment under this agreement.

This section and this Agreement shall terminate on the date of the final building department sign off.

All payments will be check, wire transfer or credit card payable to Constructionplace.com, Inc.

My initials here _____ acknowledges my selection and acceptance of this section of this Agreement.

5. **LIMITATION OF SERVICES** – You understand and agree that we are under no obligation to construct or supervise construction or any project improvements, and that any inspections by us of the construction of said improvements is for the purpose of protecting your security, and that nothing in this agreement is to be construed as a representation or warranty by us that all compliance’s have been or will be made by you or your contractors or that the construction is or will be free from faulty material or workmanship, or that it is in accordance with any agreement between you or your contractors and any contractors, subcontractors, purchasers, lessees, or others.

You further understand and agree that any and all analyses by us shall be based upon inspections at the project site as well as/or review of documents provided by you and upon discussions with you but not upon any discussions or information obtained from any contractor, subcontractor or employee of your respective contractors.

You further understand and agree that our reviews or analysis shall be based only upon our experience relating to similar construction projects, and will not be based upon comparison to detailed construction plans and specifications provided by you. A licensed architect or other independent expert retained by you shall do any review of such detailed construction plans.

6. **BINDING AGREEMENT** – This Agreement is binding on you the date you sign it. If, in good faith, you are unable to obtain a construction loan or decide not to build your project and you so notify us in writing this Agreement will be null and void and you will no longer be obligated to pay our Consulting Fee and we will no longer be obligated to offer you any services. However, if you select section C you are obligated to pay us our reimbursable expenses incurred to the voiding date of this Agreement. CLS reserves the right to cancel this Agreement at our sole discretion.

7. **ADDITIONAL INSURED** – I hereby agree that upon Constructionplace.com, Inc.’s written request I will have Constructructionplace.com, Inc. named as additional insured on all applicable insurance policies for this project, including my policies and my contractors and/or architect/engineers polices.

8. **ONLY AGREEMENT** – You hereby agree that you are not relying n and will not rely on any promises or other representations not made in this Agreement. This Agreement may by modify only by a writing signed by the party against whom enforcement in sought. In the event of negligence or breach of contract by CLS, you agree to accept the lesser of your actual damages or a refund of the Consulting Fee you have paid to CLS as your sole and complete remedy. You agree that this Agreement is to be entered into and performed in Contra Costa County, California, whose state courts shall have sole jurisdiction over any dispute that may arise between the parties. If any provision of this Agreement is held to be unenforceable, the remaining provisions shall nevertheless remain in force and effect.

Notice to the Customer/Owner Builder: (1) Do not sign this Agreement before you read, understand and complete all sections. (2) By signing below, you agree to be bound by the terms and conditions of this Agreement and acknowledge receipt of a completed copy of this Agreement.

Although I may ask CLS to assist me in locating individuals or companies to assist me in construction of my project, I understand it is my responsibility to interview and check the credentials of anyone I choose to do work for me. Therefore, under no circumstances will I claim that CLS or their lenders have endorsed any entity or person. In the event any person I hire to assist me performs in an unsatisfactory manner, neither CLS nor it representative(s) shall have any liability whatsoever. In other words, I acknowledge that I will be solely responsible for whom I hire and how they perform. I also agree to act a General Contractor or Project Manager. I understand that CLS is a consulting firm and I am the General Contractor and/or Project Manager. I agree to get at least one bid form a sub-contractor for every line of my final budget. I understand that I will be responsible for any overages above my final budget. I take full responsibility for the final budget amounts, all subcontractors, completion schedule and overseeing all aspects of the completion of this project. I also give CLS permission to use any photographs I send to them for advertising purposes they deem useful.

Customer Signature _____ Customer Signature _____ Date _____

THESE PROPOSAL DOCUMENTS, FORMS AND PROCEDURES SHALL REMAIN OUR PROPERTY. WHETHER THE PROJECT FOR WHICH THEY ARE MADE IS EXECUTED OR NOT, THESE DOCUMENTS ARE NOT TO BE USED BY YOU OR ANY OTHER PARTY ON OTHER PROJECTS OR EXTENSIONS TO THIS PROJECT WITHOUT THE EXPRESS WRITTEN CONSENT OF US.