

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 Ponta Inc. DBA Constructionplace.com, Inc. a California Corporation, which does business under this Agreement as Ponta Inc. 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 (with Construction Loan) - 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 Ponta Inc. 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 Ponta Inc.; 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 Ponta Inc. administration team authorization to submit a draw request for the Ponta Inc. Consulting Fee to be paid after construction loan closing. I also give the Ponta Inc. 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 Ponta Inc. assist me in forwarding additional construction loan draws to the lender/title company. In those cases, I give the Ponta Inc. administration team the authorization to process my draw requests. In any case, Ponta Inc. shall never receive money from my construction loan other than the Ponta Inc. 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 Ponta Inc. 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 (without Construction Loan) - 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 Pay Pall deposit payable to Ponta 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. Ponta Inc. 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 Constructionplace.com, Inc. named as additional insured on all applicable insurance policies for this project, including my policies and my contractors and/or architect/engineers policies.
8. **ONLY AGREEMENT** – You hereby agree that you are not relying on and will not rely on any promises or other representations not made in this Agreement. This Agreement may be modified only by a writing signed by the party against whom enforcement is sought. In the event of negligence or breach of contract by Ponta Inc., you agree to accept the lesser of your actual damages or a refund of the Consulting Fee you have paid to Ponta Inc. 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 Ponta Inc. 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 Ponta Inc. 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 Ponta Inc. nor its 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 as General Contractor or Project Manager. I understand that Ponta Inc. 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 Ponta Inc. permission to use any photographs I send to them for advertising purposes they deem useful.

Indemnification

Client agrees to defend, indemnify and hold harmless PONTA INC. and all persons in PONTA INC.'S firm, of and from any and all liability, claims, loss, damage, action, demand or injuries to any person or to property arising from or connected with the performance of or failure to perform any of the duties, powers, or authorities herein or hereafter granted to PONTA INC., except to the extent due to negligence of PONTA INC. or any person in PONTA INC.'S firm.

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.

Exhibit A

Job Function Fees

Unless otherwise agreed to, fees for professional services are based on the time charged to the project by Job Functions and the fees are computed by multiplying the Hourly Rate for each hour charged to the project in half hour increments by any PONTA INC. employee performing that function:

<u>Job Function</u>	<u>Hourly Rate</u>
CEO as Principal	\$ 200.00
Vice Presidents as Principal	\$ 150.00
Administrative	\$ 75.00
Travel Time	50% of Hourly Rate

Hourly Rates: The above is a partial list of the PONTA INC. Hourly Rates.

Direct Labor Cost Fees

When agreed to, fees for services of professional and technical personnel directly engaged on work required for the project will be charged at the rate equal to 2.5 times the direct labor cost based on actual payroll rates excluding any premiums for overtime. This rate shall include all charges for vacations, holidays, other benefits both mandatory and voluntary, overhead and profit, and all other indirect and direct charges except for reimbursable expenses below. Any approved overtime shall be charged at the rate equal to 1.5 times the direct actual hourly cost.

Reimbursable Expenses

In addition to the above Job Function Fees and Direct Labor Cost Fees PONTA INC. shall be reimbursed it's Standard Reimbursable Rates or direct costs below plus 10% or any agreed upon mark up for, but not necessarily limited to the following:

- a) Postage, freight and other shipping charges;
- b) Transportation, lodging and subsistence expenses, when traveling away from PONTA INC home office;
- c) Rental or purchase of material or equipment;
- d) Telephone calls and telegrams;
- e) 15% Subcontract management fee; and
- f) Any required Project Specific Insurance at cost.

Standard Reimbursable Rates

Photocopies	\$ 0.25/copy
Facsimiles	\$ 1.50/Page
Blue Prints	Direct Cost
Digital Images	\$2.00 Each
Mileage	\$0.55/Mile
Transportation & Lodging	Direct Cost

Terms and Conditions

Invoices

PONTA INC. may submit invoices twice a month but is not required to do so. Invoices are payable upon receipt and terms are net 10 days. Interest of point seven five percent (.75%) per month will be payable on any amounts not paid within 45 days from invoice date. Client shall pay any and all costs incurred in collecting any delinquent amount, including attorney's fees. Adherence to this payment schedule is part of the consideration required by PONTA INC. for performance of the work. PONTA INC. may suspend work in the event that client's account is not maintained current. Client agrees to release PONTA INC. from any consequences of PONTA INC.'s suspension of work due to Clients non-payment of invoices. Summary information will be provided on the invoices in accordance with PONTA INC.'s standard billing practices. If requested, PONTA INC. will provide additional documentation at the Client's expense. Audit of any charges may be performed at Client's request and expense by an independent Certified Public Accountancy firm, and shall be limited to a review of time cards to verify labor charged to the contract and documentation for reimbursable expenses. All fees and charge rates are subject to annual adjustments.

Exhibit B

Job Function Fees

[To be determined]