

**BERKELEY CONSTRUCTION LLC.
CUSTOM HOME CONTRACT**

Agreement made as of this 9 day of July, 2012 between Mrs. Lesley Groff and Mr. Ike Groff (collectively, the "Owner") and Berkeley Construction LLC, hereafter referred to as the Contractor, for the construction of a custom residence located at Block _____, Lot _____, _____ The Owner and the Contractor agree as set forth below:

Article 1
The Work

1.1 The Contractor shall perform all the Work (as defined herein) required by the Contract Documents as defined in Article 5, for the construction of a single family residence.

Article 2
Time of Commencement and Substantial Completion

2.1 The Work to be performed under this Contract shall be commenced upon the issuance of a building permit, and, subject to authorized adjustments, Substantial Completion shall be achieved 12 months from the date construction begins. Substantial Completion shall be deemed to have occurred upon the issuance of a Certificate of Occupancy by the proper governmental authority. The Owner and Contractor agree that, in the normal course of construction, the municipality may grant only "conditional" or "temporary" Certificate of Occupancy pending completion of certain weather related items. The Owner agrees that under such circumstances such "conditional" Certificate of Occupancy is satisfactory evidence of completion of the home. Under such circumstances, Contractor warrants that it will complete all items required to obtain an "unconditional" Certificate of Occupancy as soon as weather permits. Due to normal variations in the custom home construction process including the selection, ordering, manufacture and installation of customer selections, the Substantial Completion date may be ninety days earlier or later than projected (the "Contract Time").

Article 3
Contract Sum

3.1 The Owner shall pay the Contractor in current funds for the performance of the Work the cost of the Work plus the sum of \$150,000 ("Contractor's Fee"). The Contractor's Fee shall be paid in twenty equal bi-monthly installments of \$ 7,500.00 commencing on _____ and thereafter on the first day of each month through and including _____. The cost of the Work shall be paid monthly as set forth in Article 4. The Contractor shall provide to the Owner an Estimated Cost Analysis which shall be used solely as a guide for the Owner in the selection process. In no way shall the Contractor be bound by the Estimated Cost Analysis. The Contractor shall use its best skill in keeping the costs as close as possible to the Estimated Cost Analysis.

Article 4
Progress Payments

4.1 Twice per month, or more often if the Contractor in its exclusive reasonable discretion deems it necessary or advisable, the Contractor shall present Owner with an invoice for monies expended and expected to be expended in the next month (or shorter period) on the Work. Owner will pay Contractor the sums requested in any such invoice within five business days of the presentation of the invoices. Contractor will establish a separate checking account for the deposit and disbursement of all funds received on account of the Work (the Work Account). Owner

shall be entitled, on reasonable notice, to inspect the records of such account. It is understood and agreed that Contractor has not agreed and is not expected to advance monies for the benefit of Owner. In that regard, it is the goal of Contractor and Owner that each invoice referred to above will represent only sums to be expended in the following invoice period. In the event that Contractor does advance Contractor's funds for the benefit of Owner, due to a lack of sufficient funds on deposit in the Work Account or any other reason, Owner shall reimburse Contractor immediately upon being advised of such advance. If thereafter at any time there are funds in the Work Account, then such monies due to Contractor for Contractor's out of pocket expenses may be paid to Contractor from the Work Account. The payments set forth above are in addition to the Contractor's Fee. (Note)- We will need a small account to pay to things that I need to pick up and pay cash for.

4.2 Payments due and unpaid under the Contract Documents shall bear interest at the rate of one and one-half percent per month.

4.3 All monies due for change orders and/or extra work, shall be due and payable upon the completion of such change order or verbal instruction to perform such changes or additional work. If such payments are not made, Contractor shall have no liability to make the changes or perform the additional work.

4.4 If any payment is not made when due, Contractor shall have the absolute right to terminate the Work. Any delay caused by non-payment shall excuse Contractor from liability for the failure to substantially complete the Work.

Article 5 Enumeration of Contract Documents

5.1 The Contract Documents, which constitute the entire agreement between the Owner and the Contractor, and, except for modifications issued after execution of this Agreement, are enumerated as follows:

- Architectural Plans, dated
- Specifications
- Estimate of building costs

5.2 The Contract Documents consist of the documents enumerated in this Article and all Modifications issued after execution of the Contract such as Change Orders, written interpretations and written orders for minor changes in the Work. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work. The Contract Documents are complementary and what is required by any one shall be as binding as if required by all. Work not covered in the Contract Documents will not be required unless it is considered therewith and reasonably inferable therefrom as being necessary to produce the necessary results.

5.3 If there is more than one Owner signing this Agreement, each agrees that he/she is jointly and severally liable hereunder to the Contractor. Should more than one Owner be involved in the Agreement, either party may sign amendments, exclusions, and/or change orders, and their signature binds the other.

5.4 The Work comprises the completed construction of a single family house per the Contract Documents and includes all labor reasonably necessary to produce such construction, and all materials and equipment incorporated or to be incorporated in such construction.

Article 6 Owner

- 6.1 The Owner shall furnish all surveys and record plats and a legal description of the building site.
- 6.2 The Owner shall forward all instructions to the Contractor.
- 6.3 The Owner shall sign all necessary applications required to obtain permits and bonds.
- 6.4 The Owner shall select in a timely manner all allowance items, materials, and colors required during the construction process.
- 6.5 The Owner shall obtain all necessary approvals, and/or acknowledgments from any Architectural Board or Committee whose jurisdiction is relevant to this project.
- 6.6 Owner agrees to cooperate and make every reasonable effort to assist Contractor and further agrees to permit Contractor to place signs on or about the premises during the course of construction and allow Contractor to show the home to potential customers during the course of same, provided Contractor provides Owner with proof of liability insurance naming Owner as an additional insured. Contractor shall obtain permits for signage at Contractor's cost if required by the municipality. Owner shall not contract with, authorize or permit, for any reason whatsoever, any individual, other contractor or subcontractor to perform, in whole or in part, any additions or changes to the Plans unless authorized to do so by Contractor. Owner shall not communicate directly with any workman, employees, agents or subcontractors of Contractor, casual conversation excluded, unless so directed by Contractor.
- 6.7 Owner shall pay all costs for surveying, engineering, architectural fees and the Owner's legal, title and financing fees.

Article 7 Contractor

- 7.1 The Contractor shall supervise and direct the Work, using its best skill and attention and it shall be solely responsible for all construction means, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract.
- 7.2 The Contractor shall at all times enforce strict discipline and good order among its employees and shall not employ on the Work any unfit person or anyone not skilled in the task assigned to him.
- 7.3 The Contractor warrants to the Owner that all materials and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good workmanship quality, free from faults and defects and in substantial conformance with the Contract Documents.

7.4 The Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the Work, and shall promptly notify the Owner if the Plans are at variance therewith.

7.5 The Contractor shall be responsible to the Owner for the acts and omissions of its employees, subcontractors and their agents and employees, and other persons performing any of the Work under a contract with the Contractor.

7.6 The Contractor at all times shall keep the premises free from accumulation of waste materials or rubbish caused by its operations. At the completion of the Work it shall remove all waste materials and rubbish from and about the Project as well as construction equipment and machinery.

Article 8 Subcontracts

8.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform any of the Work at the site.

8.2 The Contractor, as soon as practicable after the award of any subcontract, shall furnish to the Owner in writing the names of Subcontractors for each of the principal portions of the Work. The Contractor shall not be required to contract with anyone to whom it has reasonable objections.

Article 9 Governing Law

9.1 This Contract shall be governed by the law of the State of Connecticut.

Article 10 Time

10.1 The Contractor shall expedite the Work and achieve Substantial Completion within the Contract Time.

10.2 Should completion be delayed due to acts of God, inclement weather, strikes, lock-outs or other labor disputes involving the Contractor or the suppliers, delays in issuance of certifications, certificates, permits or inspections, governmental moratoriums, governmental actions, extensive changes made by Owner, or any other reason beyond the control of the Contractor, it is agreed that the period for Substantial Completion shall be extended for a period of time sufficient to enable Contractor to complete the house in accordance with this Agreement.

Article 11
Protection of Persons and Property

11.1 The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. It shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to (1) all employees on the Work and other persons who may be affected thereby, (2) all the Work and all materials and equipment to be incorporate therein, and (3) other property at the site.

Article 12
Insurance

12.1 Contractor's liability insurance shall be purchased and maintained by the Contractor to protect it from claims under worker's compensation acts and other employee benefit acts, claims for damages because of bodily injury, including death, and from claims for damages, other than to the Work itself, to property which may arise out of or result from the Contractor's operations under this Contract, whether such operations be by itself or by any subcontractor or anyone directly or indirectly employed by any of them or guests or invitees of Contractor. Contractor shall provide Owner with a certificate of insurance indicating the name and address of the insurer, together with the policy numbers, coverages, and limits, prior to the commencement of the Work.

12.2 The Owner shall purchase and maintain property insurance upon the entire Work at the site to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "all risk" insurance form physical loss or damage including theft, vandalism, and malicious mischief. In the event the house is damaged by casualty, Contractor shall repair the property or any part of it that might be damaged or destroyed by fire or other loss. Contractor shall undertake to diligently and continuously complete the repairs in a good and workmanlike manner. All insurance proceeds shall be payable to Owner. The Owner agrees that the Contractor's Fee shall be included in any claim made on the Owner's insurance policy. Upon the occurrence of damage to the house or Property, the time for completion of the Property shall be extended for up to six months from the Completion Date.

12.3 The Owner and the Contractor waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance obtained pursuant to this Article or any other property insurance applicable to the Work

Article 13
Changes in the Work

13.1 The Owner, without invalidating the Contract, may order Changes in the Work consisting of additions, deletions or modifications, the Contract and Contract Time being adjusted accordingly. All such Changes in the Work shall be authorized by written Change order signed by Owner or an email with a response from the Contractor.

Article 14
Correction of Work

14.1 The Contractor shall promptly correct any work defective or failing to conform to the Contract Documents whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. Owner may identify any Work found to be defective or nonconforming for a period of one (1) year from the date of Substantial Completion or as may be prescribed by law.

Article 15
Brokerage Commission

15.1 The Contractor and Owner represent and warrant to each other that no broker participated in this transaction by, through, or on account of its acts, or the acts of its agents or other representatives.

Article 16
Default

16.1 In the event of a default by a party under this Contract, the non-defaulting party shall, after ten(10) days' written notice of such default is delivered to the defaulting party and provided that the defaulting party does not cure such default, be entitled to all of its rights and remedies permitted under New Jersey law. In the event the Owner terminates the Contractor without cause, the Contractor shall be paid the balance of the Contractor's Fee plus all of the Contractor's out of pocket expenses, including all monies due to subcontractors and suppliers for work or supplies completed or delivered, provided that Owner has not already paid Contractor for same.

16.2 In the event of a default by a party under this Contract, that party shall indemnify, defend and hold harmless the non-breaching party against any claims arising against it as a result of the said breach, including any and all claims by subcontractors.

Article 17
Miscellaneous

17.1 UTILITIES: Owner shall pay for all utilities needed during the construction of the Work. Contractor shall make all the permanent connections between the house and the utility service, the cost of which shall be borne by the Owner..

17.2 PERMITS: Contractor will obtain all necessary permits for the Work, the cost of which shall be borne by Owner.

17.3 DATE OF COMMENCEMENT: The Contractor will commence site clearing work upon the issuance of permits therefor and anticipates the commencement of construction in _____ 2012, following which date, the Work will be done in an expeditious and conscientious manner.

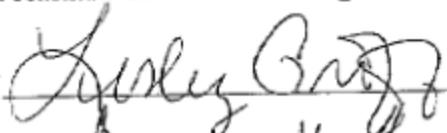
17.4 NEW HOME WARRANTY: Contractor will provide insurance backed warranty coverage and protection pursuant to the New Home Warranty and Contractor's Registration Act, N.J.S.A. 46:3B-1 et seq. Except as otherwise provided by law, Contractor's responsibility shall be limited to the terms and conditions of that warranty. Contractor shall, upon delivery of the Certificate of Occupancy, assign to Owner such warranties that are readily assignable.

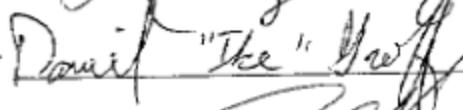
17.5 INSPECTIONS AND PUNCHLISTS: Owner shall have the right to inspect the Property prior to Substantial Completion. Such inspection must be completed and a report furnished to Contractor prior to issuance of a Certificate of Occupancy. Contractor shall receive such report as a punchlist of items requested to be completed by Contractor prior to Substantial Completion. Thereafter, Owner shall have the right to submit a supplemental punchlist within 30 days after Substantial Completion. Contractor shall remediate any post-completion punchlist items within thirty days after receipt of the punchlist.

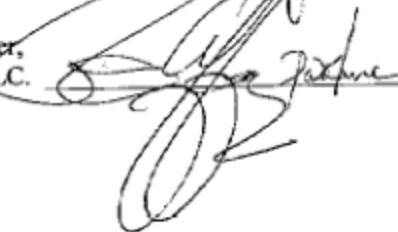
17.6 NOTICES: All notice made under this Agreement shall be made by certified mail (effective three (3) days after mailing) or by hand delivery, to the party at the address provided in this Agreement.

17.7 BROOM CLEAN CONDITION: Contractor shall deliver the Property in broom clean condition.

This Contract shall constitute the sole and entire agreement between the parties whose signatures are affixed below.

Mrs. Lesley Groff  Date 7-9-2012

Mr. Ike Groff  Date 7-9-2012

Mr. Robert Caffrey Partner,
Berkeley Construction LLC.  Date 7-9-2012