

(ENDORSED)
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Clerk of the Court
Superior Court of CA County of Santa Clara
BY Y. CHAVEZ DEPUTY

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

RICHARD JACKSON, an individual; IRIS
CHEN, an individual;

Plaintiffs,

vs.

EVOLVE BUILDING, INC.; and DOES 1
through 25,

Defendants.

Case No.: **18CV339810**

COMPLAINT FOR:

- (1) BREACH OF WRITTEN SETTLEMENT CONTRACT
- (2) COMMON COUNT—MONEY HAD AND RECEIVED
- (3) BREACH OF CONSTRUCTION CONTRACT
- (4) RESCISSION AND *QUANTUM MERUIT*
- (5) STATUTORY VIOLATIONS OF CALIFORNIA PENAL CODE AND BUSINESS & PROFESSIONS CODE
- (6) CONVERSION
- (7) FRAUD—INTENTIONAL MISREPRESENTATION
- (8) NEGLIGENT MISREPRESENTATION

*Unlimited Civil Action - Amount in Controversy
Exceeds \$25,000.00*

Plaintiffs Richard Jackson and Iris Chen (collectively "Plaintiffs") allege as follows:

GENERAL ALLEGATIONS

1. Plaintiff Richard Jackson is an individual currently residing in Santa Clara County, State of California, and a co-owner of the subject property commonly known as 485 Eleanor Drive, Woodside, California 94062 (the "Property").

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1 2. Plaintiff Iris Chen is an individual currently residing in Santa Clara County, State
2 of California, and the other co-owner of the Property.

3 3. Plaintiffs are informed and believe, and thereon allege, that Defendant Evolve
4 Building, Inc. ("EBI") is, and at all times relevant herein was, a California corporation
5 headquartered in San Francisco, but doing business in Santa Clara County, California.

6 4. Plaintiffs are ignorant of the true names and capacities of Defendants sued herein
7 as Does 1 through 25, inclusive, and therefore sue these Defendants by such fictitious names.
8 Plaintiffs pray leave to amend this Complaint to allege their true names and capacities when the
9 same have been ascertained.

10 5. Plaintiffs are informed and believe, and thereon allege that each of the Defendants
11 sued herein are responsible in some manner for the occurrences herein alleged, and that
12 Plaintiffs' damages, as herein alleged, were proximately caused by such Defendants.

13 6. On or around July 2, 2018, Plaintiffs and EBI entered into a written construction
14 contract (the "Construction Contract"), whereby Plaintiffs hired EBI to serve as the general
15 contractor to complete major remodeling and expansion work on the Property (the "Project"). A
16 true and correct copy of the Construction Contract is attached hereto as **Exhibit A**.

17 7. Pursuant to the Construction Contract, EBI was required to provide Plaintiffs with
18 detailed accountings of EBI's costs and invoices to show amounts EBI actually paid.
19 Additionally, EBI was required to obtain all necessary permits to begin demolition work by
20 August 2018, with the expectation that the entire Project would be completed within
21 approximately six months.

22 8. EBI's compensation for the Project was supposed to be the cost of the
23 construction work, plus a twenty percent mark-up ("Contractor's Fee") for EBI's overhead and
24 profit. EBI's labor rates for self-performed construction work were established in the
25 Construction Contract, but were not intended to be subject to any additional 20% mark-up. EBI
26 agreed to invoice Plaintiffs for any costs it incurred on a regular basis.

27 9. On July 2, 2018, Plaintiffs paid EBI a deposit of \$150,000 to cover the costs of
28 flooring, tiles, and other materials that EBI was supposed to purchase for the Project ("Deposit").

1 10. By mid-October 2018, however, EBI had still failed to obtain the necessary
2 permits for the Project and had failed to begin any of the actual demolition or construction work.
3 As such, and with the Project already months behind schedule, Plaintiffs terminated EBI,
4 requested a detailed accounting of EBI's costs as of October 13, 2018, and demanded that EBI
5 return the remaining balance of the Deposit to Plaintiffs.

6 11. It was not until November 15, 2018, that EBI finally provided Plaintiffs with a re-
7 constructed accounting of its alleged costs and Contractor's Fee totaling \$139,059.07. Without
8 any of the permits having been obtained, any of the actual construction work having started, and
9 the Project already months behind schedule, EBI proposed to return only \$10,940.93 of the
10 Plaintiffs' \$150,000 Deposit. EBI wrongfully charged Plaintiffs for time and other expenses
11 allegedly incurred before the parties signed the Construction Contract, and for its own time to
12 complete other pre-construction services that were never agreed-to, previously invoiced, nor
13 provided for in the Construction Contract. Contrary to the parties understanding and agreement,
14 EBI marked-up all of the time it allegedly spent—even time spent before the parties signed the
15 Construction Contract—an additional 20%. A dispute thus arose between Plaintiffs and
16 Defendant regarding EBI's use and reimbursement of the Deposit ("Deposit Dispute").

17 12. Despite Plaintiffs' repeated requests, EBI refused to return the remaining balance
18 of the Deposit to Plaintiffs, and further failed to provide Plaintiffs with invoices showing the
19 amounts EBI actually paid for labor and materials for the Project. Plaintiffs thus were forced to
20 contact the flooring supplier for their project, Wide Plank Flooring, to inquire about the status of
21 any order placed by Defendant EBI for Plaintiffs' project, an accounting of what EBI had paid
22 and what amount (if any) remained due to Wide Plank Flooring for the flooring material, and to
23 inquire about transferring any purchase order for the flooring material into Plaintiffs' names.

24 13. At 4:16 p.m. on November 27, 2018, Defendant EBI wrote Plaintiffs an email
25 offering to "refund your deposit minus the \$7,000 for the renderings [plus] the respective 20%
26 Evolve fee for this rendering work . . . We will keep the floors for one of our own projects . . .
27 Please let us know you would like to move forward." A true and correct copy of Defendant's
28 email ("Offer") is attached hereto and incorporated as **Exhibit B**.

1 14. At 6:02 p.m. the same day, November 27, 2018, Plaintiff Richard Jackson
2 responded with an email accepting Defendant EBI's offer: "Hi Tyson, Thank you for your
3 email. I accept your offer to refund the full amount of our \$150,000 deposit less \$8,400.00
4 (\$7,000 for renderings and \$1,400 [20% Evolve fee for the rendering work]) for a total refund of
5 \$141,600.00." A true and correct copy of Plaintiff's email ("Acceptance") is attached hereto and
6 incorporated as **Exhibit C**.

7 15. Based on Defendant's written offer and Plaintiff's written acceptance, a contract
8 was reached between the parties on November 27, 2018, to settle the Deposit Dispute
9 (hereinafter the "Settlement Contract").

10 16. Despite repeated attempts to contact Defendant, including repeated demands that
11 Defendant confirm the date when the \$141,600.00 will be repaid, EBI has gone silent and is now
12 refusing to honor the terms of the Settlement Contract.

13 **FIRST CAUSE OF ACTION**

14 **[Breach of Written Settlement Contract Against EBI and Does 1 through 10]**

15 17. Plaintiffs hereby reallege and incorporate herein by this reference each and every
16 allegation contained in Paragraphs 1 through 16, inclusive of their Complaint, as though fully set
17 forth herein.

18 18. As set forth above, on November 27, 2018, Plaintiffs and Defendant EBI entered
19 into a Settlement Contract, the essential terms of which are set forth in the parties' written
20 correspondence attached hereto as **Exhibits B and C**. In consideration for Plaintiff's allowing
21 Defendant EBI to retain \$8,400.00 for architectural renderings and the flooring material,
22 Defendant EBI agreed to pay to Plaintiffs in Santa Clara County the amount of \$141,600.00.

23 19. Plaintiffs have duly performed all terms, conditions, promises and covenants
24 required of them under the Settlement Contract, except for those terms, conditions, promises and
25 covenants the performance of which were either waived, excused, and/or prevented from being
26 performed, or which EBI and/or Does 1 through 10 are estopped from asserting.

27 20. EBI and Does 1 through 10, and each of them, materially breached the terms of
28 the Settlement Contract by, among other conduct, failing and refusing to pay Plaintiffs the

1 agreed-upon amount of \$141,600.00. By failing and refusing to respond to Plaintiffs' inquiries
2 as to when the payment will be made, EBI and Does 1 through 10, and each of them, have also
3 materially breached the covenant of good faith and fair dealing implied in the Settlement
4 Contract by operation of law.

5 21. As a direct and proximate result of the breaches of the Settlement Contract by EBI
6 and Does 1 through 10, and each of them, Plaintiffs have been damaged in the amount of
7 \$141,600.00, plus interest on the unpaid amount.

8 WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as
9 hereinafter set forth.

10 **SECOND CAUSE OF ACTION**

11 **[Common Count—Money Had and Received Against EBI and Does 1 through 15]**

12 22. Plaintiffs hereby reallege and incorporate herein by this reference each and every
13 allegation contained in Paragraphs 1 through 21, inclusive of their Complaint, as though fully set
14 forth herein.

15 23. On or about July 2, 2018, Plaintiffs provided EBI with the Deposit in the amount
16 of \$150,000. Plaintiffs intended EBI to use the Deposit for Plaintiffs' benefit. Specifically,
17 Plaintiffs provided the Deposit to EBI with the intent that EBI would use the Deposit to purchase
18 various construction materials, such as flooring, tile, and cabinets, to be installed at the Project.

19 24. Upon receipt of the Deposit from Plaintiffs, EBI did not use the entire Deposit for
20 Plaintiffs benefit—to wit, EBI did not use the Deposit to purchase construction materials for the
21 Project. Defendant EBI asserts that it used \$8,400.00 of the Deposit for architectural renderings.

22 25. Defendant EBI and Does 1 through 15, and each of them, agreed to return the
23 unused portion of the Deposit not used for Plaintiffs' benefit.

24 26. Despite Plaintiffs' requests, EBI has failed and refused to return the remaining
25 \$141,600.00 balance of the Deposit to Plaintiffs or to properly account for its use.

26 27. As a direct and proximate result of EBI's refusal to properly account for and/or to
27 use the Deposit for Plaintiffs' benefit, Plaintiffs have been damages in an amount to be proved at
28 the time of trial.

1 WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as
2 hereinafter set forth.

3 **THIRD CAUSE OF ACTION**

4 **[Breach of Written Construction Contract Against EBI and Does 1 through 20]**

5 28. Plaintiffs hereby reallege and incorporate herein by this reference each and every
6 allegation contained in Paragraphs 1 through 16, inclusive of their Complaint, as though fully set
7 forth herein, and allege, in the alternative to Defendants' breach of the Settlement Contract, that
8 if such Settlement Contract should be deemed for any reason unenforceable, Defendant EBI and
9 Does 1 through 20, and each of them, have breached the written Construction Contract.

10 29. On or around July 2, 2018, Plaintiffs and Defendants entered into the written
11 Construction Contract attached hereto as **Exhibit A**, whereby Plaintiffs hired EBI to serve as the
12 general contractor to complete major remodeling and expansion Project. Plaintiffs paid EBI the
13 required \$150,000 Deposit to cover the costs of flooring, tiles, and other materials for the
14 Project.

15 30. Plaintiffs duly performed all terms, conditions, promises and covenants required
16 of them under the Construction Contract, except for those terms, conditions, promises and
17 covenants the performance of which were either waived, excused, and/or prevented from being
18 performed, or which EBI and/or Does 1 through 20 are estopped from asserting.

19 31. EBI and Does 1 through 20, and each of them, materially breached the terms of
20 the Construction Contract by, among other conduct, failing to diligently perform EBI's work on
21 the Project, failing to provide Plaintiffs with regular invoices for costs allegedly incurred,
22 improperly charging Plaintiffs for time EBI allegedly spent before the parties entered into the
23 Construction Contract, wrongfully marking-up agreed-upon labor rates, refusing to release the
24 remaining balance of the Deposit to Plaintiffs after making proper deductions for actual costs
25 EBI paid for the Project, failing and refusing to communicate with Plaintiffs about the status of
26 the materials ordered by EBI on Plaintiffs' behalf, and failing and refusing to transfer any such
27 purchase orders with material vendors into Plaintiffs' names.

28 //

32. By the conduct set forth herein, EBI and Does 1 through 20, and each of them, have also materially breached the covenant of good faith and fair dealing implied in the Construction Contract by operation of law.

33. As a direct and proximate result of the breaches of the Construction Contract by EBI and Does 1 through 20, and each of them, Plaintiffs have been denied the benefits of the Construction Contract and suffered damages in an amount to be proven at trial, including but not limited to the amount of the Deposit currently being wrongfully withheld from Plaintiffs by EBI and Does 1 through 20, damages incurred by Plaintiffs as a result of EBI's project delays, and additional costs that Plaintiff has and will continue to incur in order to complete the Project as originally planned.

34. Plaintiffs further allege that the Construction Contract includes an arbitration clause. Pursuant with California Code of Civil Procedure § 1281.8(b) *et seq.*, Plaintiffs allege that by filing the current Complaint, they do not intend to waive any potential right of arbitration, are entitled to and are concurrently seeking a provisional remedy against EBI in the form of an attachment and/or temporary protective order, and hereby request and will within 30 days after service of the summons and complaint move the Court for an order to stay further proceedings in this action pending the outcome of any such arbitration.

WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as hereinafter set forth.

FOURTH CAUSE OF ACTION

[Rescission and *Quantum Meruit* Against EBI and Does 1 through 30]

35. Plaintiffs hereby reallege and incorporate herein by this reference each and every allegation contained in Paragraphs 1 through 16, and 28 through 34, inclusive, of their Complaint, as though fully set forth herein.

36. Within the past year in San Mateo County, California, EBI promised to perform work on the Project and make certain home improvements to the Property. EBI promised to perform this work in a diligent and workmanlike manner, and further promised to obtain all necessary permits and to begin demolition work on the Project by August 2018.

44. Plaintiffs are further informed and believe, and thereon allege, that EBI and Does 10 through 25 violated Section 7108 of the Business & Professions Code by wrongfully diverting funds received from Plaintiffs that were intended to be used for the purpose of purchasing materials to be installed at the Project, and by failing to account for the proper application or use of such funds for the Project.

45. Plaintiffs are further informed and believe, and thereon allege, that EBI and Does 1 through 45 violated Penal Code section 484b by willfully failing to use the Deposit to purchase materials for the Project, as intended by Plaintiffs.

46. As a direct and proximate result of Defendants' misconduct, Plaintiffs have incurred damages in an amount which to be proved more specifically at trial.

WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as hereinafter set forth.

SIXTH CAUSE OF ACTION

[Conversion Against EBI and Does 1 through 50]

47. Plaintiffs hereby reallege and incorporate herein by this reference each and every allegation contained in Paragraphs 1 through 46, inclusive of their Complaint, as though fully set forth herein.

48. Plaintiff own and have a right to the return of the Deposit paid to Defendant EBI and Does 1 through 50, inclusive, for Defendants to pay to vendors and other third-parties for Plaintiffs' benefit .

49. Despite repeated demands for return of the Deposit, Defendants EBI and Does 1 through 50, inclusive, have intentionally refused to return the Deposit.

50. Plaintiffs have not consented to Defendant EBI and Does 1 through 50, inclusive, either withholding or otherwise using the Deposit for their own benefit.

51. As a direct and proximate result of Defendants' misconduct in refusing to return the Deposit, Plaintiffs have incurred damages in an amount which to be proved more specifically at trial.

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1 WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as
2 hereinafter set forth.

3 **SEVENTH CAUSE OF ACTION**

4 **[Fraud—Intentional Misrepresentation Against EBI and Does 1 through 50]**

5 52. Plaintiffs hereby reallege and incorporate herein by this reference each and every
6 allegation contained in Paragraphs 1 through 51, inclusive of their Complaint, as though fully set
7 forth herein.

8 53. At the time of contracting and thereafter, Defendant EBI and Does 1 through 50,
9 inclusive, made oral and written statements to Plaintiffs that the Deposit would be used to
10 purchase construction materials for their Project; and subsequently, that EBI would return the
11 Deposit, less the cost of the architectural renderings, in the amount of \$141,600.00.

12 54. At the time they were made, Defendants representations were false. Defendants
13 had no intention of using the Deposit solely for the purchase of materials for Plaintiffs' Project;
14 and subsequently, Defendants had no intention of returning the unused portion of the Deposit in
15 the amount of \$141,600.00.

16 55. Defendants intended that Plaintiffs would rely upon the misrepresentations in both
17 providing the initial Deposit and in resolving the Deposit Dispute.

18 56. Plaintiffs in fact reasonably relied upon Defendants' misrepresentations in paying
19 the initial \$150,000 Deposit to Defendant EBI and in subsequently resolving the Deposit Dispute
20 by agreeing to permit Defendant EBI to retain \$8,400.00 and possession of the flooring material.

21 57. As a direct and proximate result of Defendants' intentional misrepresentations,
22 and their reasonable reliance thereon, Plaintiffs have been damaged in an amount according to
23 proof at the time of trial.

24 WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as
25 hereinafter set forth.

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28 //

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EIGHTH CAUSE OF ACTION

[Negligent Misrepresentation Against EBI and Does 1 through 50]

58. Plaintiffs hereby reallege and incorporate herein by this reference each and every allegation contained in Paragraphs 1 through 57, inclusive of their Complaint, as though fully set forth herein.

59. At the time of contracting and thereafter, Defendant EBI and Does 1 through 50, inclusive, made oral and written statements to Plaintiffs that their Deposit would be used to purchase construction materials for their Project; and subsequently, that EBI would return the Deposit, less the cost of the architectural renderings, in the amount of \$141,600.00.

60. At the time they were made, Defendants representations were false and Defendants had no reasonable grounds for believing that the representations were true in that Defendants were financially incapable of paying Plaintiffs the unused portion of the Deposit.

61. Defendants intended that Plaintiffs would rely upon the misrepresentations in both providing the initial Deposit and in resolving the Deposit Dispute.

62. Plaintiffs in fact reasonably relied upon Defendants' misrepresentations in paying the initial \$150,000 Deposit to Defendant EBI and in subsequently resolving the Deposit Dispute by agreeing to permit Defendant EBI to retain \$8,400.00 and possession of the flooring material.

63. As a direct and proximate result of Defendants' intentional misrepresentations, and their reasonable reliance thereon, Plaintiffs have been damaged in an amount according to proof at the time of trial.

64. WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as hereinafter set forth.

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1 **PRAYER**

2 WHEREFORE, Plaintiffs prays as follows:

3 FOR THE FIRST, SECOND, THIRD, AND FIFTH THROUGH EIGHTH CAUSES OF
4 ACTION:

- 5 1. For monetary damages according to proof; and
6 2. For interest at the rate of ten percent (10%) per annum.

7 FOR THE FOURTH CAUSE OF ACTION:

8 3. Alternatively, and if elected by Plaintiffs, for an order that the Construction
9 Contract is void and rescinded, and for all monetary damages due Plaintiffs based upon the
10 amount Defendants have been unjustly enriched.

11 FOR THE SIXTH AND SEVENTH CAUSES OF ACTION:

12 4. For punitive damages based upon Defendants' intentional conduct amounting to
13 malice, oppression, and/or fraud;

14 FOR ALL CAUSES OF ACTION:

- 15 5. For costs of suit herein incurred;
16 6. For attorneys' and experts' fees to the extent provided by contract or law; and
17 7. For such other and further relief as the Court deems just and proper.
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19 Respectfully submitted,

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21 Dated: December 20, 2018

VENTURA HERSEY & MULLER LLP

22
23 By: 

24 CHRISTOPHER J. HERSEY
25 TREVOR M. HOLT
26 Attorneys for Plaintiffs
27 Richard Jackson and Iris Chen
28

Re: *Richard Jackson and Iris Chen v. Evolve Building, Inc.; et al.*
Santa Clara County Superior Court Case No. To Be Assigned

COMPLAINT FOR:

- (1) BREACH OF WRITTEN SETTLEMENT CONTRACT
- (2) COMMON COUNT—MONEY HAD AND RECEIVED
- (3) BREACH OF CONSTRUCTION CONTRACT
- (4) RESCISSION AND QUANTUM MERUIT
- (5) STATUTORY VIOLATIONS OF CALIFORNIA PENAL CODE AND BUSINESS
& PROFESSIONS CODE
- (6) CONVERSION
- (7) FRAUD—INTENTIONAL MISREPRESENTATION
- (8) NEGLIGENT MISREPRESENTATION

EXHIBIT A

Re: *Richard Jackson and Iris Chen v. Evolve Building, Inc.; et al.*
Santa Clara County Superior Court Case No. To Be Assigned

COMPLAINT FOR:

- (1) BREACH OF WRITTEN SETTLEMENT CONTRACT
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EXHIBIT A



Evolve Building, Inc.
2540 California Street, San Francisco, CA 94115
O 415.895.0365 :: M 650.339.3376
info@evolve-us.com

PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

THIS CONSTRUCTION CONTRACT (the "Contract") is made effective as of June 13, 2018 (the "Effective Date"), by and among Iris Chen and Richard Jackson ("Owner") and Evolve Building, Inc., License Number #960260 ("Contractor").

The address of the project is 485 Eleanor Drive, California (the "Real Property").

The Owner wishes to engage the Contractor to perform the Work, as defined below, on the terms and conditions set forth in the Contract Documents, as defined below.

NOW THEREFORE, the parties agree as follows:

ARTICLE 1 DEFINITIONS

In this Contract, the following definitions shall apply:

- 1.1 Architect: NA
- 1.2 Civil Engineer: Lea and Braze Engineering
- 1.3 Contract: this signed agreement between the Owner and the Contractor that is a part of the Contract Documents.
- 1.4 Contract Documents: as defined in Article 2.1.
- 1.5 Contract Time: The time to substantially complete the Project which is estimated to be 6 months is based on the final scope of work, and may be amended during the course of performance of the Work.
- 1.6 Contractor: Evolve Building, Inc., License Number #960260.
- 1.7 Contract Price: the total compensation to be paid to the Contractor for the performance of the Work, as may be amended during the course of performance of the Work.
- 1.8 Final Completion: the completion of the Work (including Punch List work as discussed herein), including the submission of all final releases.
- 1.9 Owner: Iris Chen and Richard Jackson, and "by Owner": by Owner or by the authorized representative designated by the Owner in writing, on whose authority, acts, and instructions the Contractor may rely, unless otherwise limited in writing by the Owner.
- 1.10 Project: the condominium to be remodeled as part of the Work and shall mean the remodeling and expansion of an existing condominium residence of approximately 1,750 square feet of living space.
- 1.11 Soils Engineer: NA
- 1.12 Structural Engineer: NA



Evolve Building, Inc.
2540 California Street, San Francisco, CA 94115
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PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

1.13 Subcontractor: any person, partnership or corporation which has a contract with the Contractor to furnish labor, material or equipment as part of the Work.

1.14 Substantial Completion Date: the point in the progress of the Work when the house is in move-in ready condition.

1.15 Work: the total of the Contractor's responsibilities as set forth in the Contract Documents, including but not limited to the construction of the Project.

ARTICLE 2 CONTRACT DOCUMENTS

2.1 The Contract Documents shall consist of this Contract (including the General Conditions), the Plans, Documents, Specifications and Working Drawings (Exhibit A), the (Estimated) Control Estimate (Exhibit B), the (Estimated) Schedule (Exhibit C) and any supplementary, special or other conditions, drawings, all addenda issued prior to the execution of this Contract, and all change orders, modifications, and amendments issued after execution of this Contract.

2.2 The following rules, in addition to those generally applicable to contracts, shall govern the interpretation of the Contract:

2.2.1 The Contract Documents are complementary and what is required by any document shall be as binding as if required by all.

2.2.2 The Plans and Specifications attached hereto and this Contract are intended to supplement each other, however, should a conflict arise between any of such documents, the Specifications shall control over the Plans, and this Contract shall control over both the Plans and Specifications.

2.2.3 Materials or work described in words which, so applied, have a well known technical or trade meaning, shall be held to refer to such recognized standards.

2.3 The responsibility for design, drawings, specifications and submittals shall be as follows:

2.3.1 The Owner, through the Architect, shall furnish drawings and specifications, if prepared, which adequately represent the requirements of the Work. The Contractor and its Subcontractors will be furnished free of charge all copies of drawings and specifications reasonably necessary for the execution of the Work.

2.3.2 All drawings and specifications furnished to the Contractor shall not be reused on other work. The parties may permit Subcontractors to retain plan sets, if reasonably necessary for a valid purpose.

2.3.3 If the Contractor in the course of the Work finds any discrepancy between the drawings and the physical conditions of the locality, or any errors or omissions in drawings or in the layout as given by survey points and instructions, he shall promptly inform the Owner in writing. Owner shall consult with Architect and/or the appropriate engineer to promptly verify the same.

**Evolve Building, Inc.**

2540 California Street, San Francisco, CA 94115
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 info@evolve-us.com

PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

2.3.4 The Contractor shall furnish to the Architect all shop drawings, submittals and other documents required by the Contract Documents in sufficient time to permit review and approval by the Architect. The Architect shall return such documents to the Contractor within a reasonable time, and in no event later than required in order to avoid delays in the Work, either approved or with such other notation, including correction and re submittal, as may be required under the circumstances. Further re-submittals and subsequent reviews and approvals shall be made promptly.

ARTICLE 3 CONTRACTOR'S FEE AND OTHER COSTS

3.1 In consideration for all services provided by Contractor related to the Work, Contractor shall be paid an amount equal to Twenty percent [20%] ("Fee Rate") of the total Control Estimate (Exhibit B), estimated project cost. Contractor's fee will be earned and payable by Owner according to the following payment schedule:

3.1.1 Upon Execution of this Agreement, Owner shall pay Contractor a non-refundable One Hundred Fifty Thousand Dollar (\$150,000) payment to be applied to project costs, including the paying for the hardwood flooring order, necessary tile, and other long lead time items.

3.1.2 Owner shall, pursuant to invoices submitted approximately once per month, or more frequently as needed to maintain construction progress, pay Contractor an amount determined by applying the Fee Rate to the total amount of invoices submitted for payment during each progress payment cycle through completion of the Work.

3.2 In addition to the Contractor Fee, Owner agrees to reimburse in full Contractor for the cost of all labor, materials, equipment, taxes, professional fees, permits, and other reasonable costs associated with and required to complete the Project. Contractor may self-perform other work on the Project (e.g. finish carpentry), and would do so at the same price or less than other qualified bids for the same work. Such self-performed work shall be part of the Control Estimate.

Senior Project Manager/President	\$300/hour
Director of Construction	\$200/hour
Project Manager	\$150/hour
Supervisor:	\$100/hour
Foreman	\$90/hour
Lead Carpenter	\$85/hour
Carpenter	\$75/hour
Plumber	\$85/hour
Tile Installer	\$80/hour
Sheetrock Installer	\$75/hour
Painter	\$65/hour
General Laborer	\$45/hour
Product selection and design coordination services	\$100/hour

3.3 The sums described herein shall constitute payment in full for all costs incurred by Owner and paid to Contractor (or a Subcontractor/Supplier) under this Contract in performing and completing the Work.



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PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

ARTICLE 4 SITE INVESTIGATION

4.1 Contractor has by reasonable examination ascertained the following: (1) the nature of the Project; (2) to the extent specified or selected, the character, quality and quantity of the materials, equipment and facilities necessary to complete the Project; and, (3) the general and local conditions pertaining to the Project. Contractor has relied, and is entitled to reasonably rely, upon the investigations and reports of the Civil Engineer, Soil Engineer, Structural Engineer, and the Asbestos and Lead-testing consultant.

ARTICLE 5 DIFFERING SITE CONDITIONS

5.1 The Contractor shall promptly, before such conditions are disturbed, notify the Owner in writing of subsurface or latent physical conditions at the site, which are known or reasonably ascertainable by Contractor, differing materially from those indicated in the Contract Documents.

5.2 The Owner shall promptly investigate the conditions and, if it finds that such conditions do so materially differ and cause an increase or decrease in the cost of, or the time required for, performance of this Contract, an equitable adjustment in the Contract Price and the Contract Time shall be made.

5.3 The discovery of hazardous material, not specifically identified in the Contract Documents or recognizable by the contractor during preliminary site investigation with respect to its location and quantity, shall be deemed to be a differing site condition pursuant to this article. Hazardous material is defined as PCBs, asbestos or any other material, removal of which is governed by federal and/or California law. If hazardous material is discovered:

5.3.1 The Contractor shall immediately (a) give notice to the Owner of such discovery; (b) stop that portion of the Work affected by such material; and (c) sufficiently protect the work to prevent exposure of persons to such material.

5.3.2 The Contractor shall have no obligation to perform any corrective or remedial work that would require the handling of or exposure to hazardous material.

ARTICLE 6 PRE-CONSTRUCTION SERVICES

6.1 Contractor will work with Architect, Structural Engineer, Owner and any other necessary parties to develop, as soon as reasonably practical, a control budget and schedule for Owner's written approval. Upon Owner's approval, Exhibit B (Control Estimate) and Exhibit C (Schedule) will be amended to conform to the approved budget and schedule. Owner acknowledges that the budget is based upon good faith estimates of time and materials for the Project but is not fixed, final, or guaranteed. The budget and schedule are subject to revision based upon specifications and selections to be approved by Owner and changes in construction costs.

ARTICLE 7 SITE ACCESS AND RIGHTS OF WAY

7.1 The Owner shall provide, no later than the date when needed by the Contractor, the lands upon which the Work is to be performed, including convenient access to the lands and



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any other lands designated in the Contract Documents for use by the Contractor. Any delay in the furnishing of these lands shall entitle the Contractor to an equitable adjustment in the Contract Price and the Contract Time.

ARTICLE 8 COOPERATION WITH ARCHITECT AND OTHER PROFESSIONALS

8.1 If Contractor has any need for information or explanations of drawings, reports or calculations, Contractor shall make such request for information directly to the Architect, Structural Engineer, Soils Engineer, Civil Engineer or other professionals involved with the Project.

ARTICLE 9 PROSECUTION OF THE WORK

9.1 Contractor has reviewed the Plans and Specifications (to the extent available) for the Project and represents that such Plans and Specifications are, to the best of Contractor's knowledge, sufficiently complete and detailed to permit Contractor to coordinate and supervise the performance of the entire Work on the basis of the Plans and Specifications and matters reasonably inferable therefrom; provided, that, the Specifications do not include all selections and other Project specifications, and to the extent not complete, Contractor shall consult and coordinate with Owner, in order to make Owner's selections and complete the Specifications in a timely manner consistent with the Project schedule.

9.2 As soon as reasonably practical, and subject to the availability of subcontractors, after the date that permits are issued by the appropriate jurisdiction for the Work, Contractor hereby agrees to be at the Project, or employ on the site of the Work a competent superintendent and such necessary assistants to represent the Contractor, supervising and coordinating the completion of the Project as required by the flow of construction.

9.3 Contractor shall have substantially commenced work to the extent it has mobilized equipment to the Project site, delivered materials to the Project site, or supplied labor to perform demolition or construction activities related to the Project.

9.4 The Contractor shall diligently prosecute the Work in order to achieve the Substantial Completion Date.

9.5 The Contractor shall achieve Final Completion as promptly as practicable after the Substantial Completion Date.

9.6 Contractor will continuously maintain a clean jobsite, including the grounds around the jobsite, and keep such jobsite in a safe, orderly, and neat condition and shall do so, at a minimum, in accordance with industry standards. Upon completion of the Project, Contractor shall remove from the Property all debris and surplus materials generated from Contractor's work. Contractor shall leave the Property in a neat and "broom clean" condition.



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ARTICLE 10 MATERIALS, EQUIPMENT AND APPLIANCES

10.1 Unless otherwise specified, all materials incorporated in the Work shall be new and both workmanship and material shall be of good quality. The Contractor shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

ARTICLE 11 LABOR AND SUPERVISION

11.1 The Contractor shall at all times maintain good discipline and order among its employees. It shall provide competent, suitably qualified personnel to perform the work assigned to them. Contractor is responsible for all means of construction and for properly sequencing and coordinating the Work and inspections thereof. Contractor agrees to furnish and transport all necessary labor, materials, tools, implements, and appliances required to perform and finish completely in a workmanlike manner, the Work; free of any and all liens and claims of laborers, material men and suppliers, and, in conformity with the Plans and Specifications and all applicable state, county, and municipal laws, codes, and regulations.

ARTICLE 12 PERMITS, LICENSES AND REGULATIONS

12.1 Permits and licenses of a temporary nature necessary for the prosecution of the Work shall be obtained by Contractor and paid for by the Owner. Contractor shall obtain, or shall assist Owner in obtaining, all necessary permits and inspections. All permits, licenses and easements for permanent structures or permanent changes in existing facilities shall be secured and paid for by the Owner including special inspections. Any such costs advanced by the Contractor will be submitted to the Owner and the entire amount of such invoice shall be due and payable pursuant to its terms.

12.2 The Contractor shall give all notices and the Work shall comply with all laws, ordinances, building codes (including the Uniform Building Code) rules and regulations bearing on the performance of the Work. If the Contractor observes that the drawings and specifications are at variance with such laws, ordinances, rules and regulations, the Owner shall promptly be notified.

ARTICLE 13 INSPECTION OF WORK

13.1 The Owner shall provide sufficient competent personnel to visit and inspect the site during the course of the Work to determine in general whether the Work is being performed in a manner which is consistent with the Contract Documents. The Contractor shall inspect all material and equipment delivered to the job site by others to be used or incorporated in the Contractor's work.

13.2 The Owner and its representatives shall at all times have access to the Work whenever it is in preparation or progress, and the Contractor shall provide proper facilities for such access and for inspection.

13.3 If the specifications, laws, ordinances, or any public authority require any work to be specifically tested or approved, the Contractor shall give Owner timely notice of its readiness for inspection and of the date fixed for such inspection. Inspections by the Architect, Civil Engineer, Soils Engineer, Structural Engineer or others shall be made promptly, and, where practicable, at the source of supply.



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ARTICLE 14 WARRANTY

14.1 The Contractor warrants to the Owner that the Work will be performed in accordance with the Contract Documents.

14.2 The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear under normal usage. This warranty shall be for a period of one (1) year after the date of Substantial Completion and acceptance by the applicable governmental agency.

14.3 Contractor shall assemble all written warranties and guarantees furnished by or through any Subcontractor or supplier with any equipment, materials and supplies furnished or used in connection with the Project and deliver them to Owner upon Substantial Completion. Contractor hereby assigns to Owner all of Contractor's rights under such warranties and guarantees. Contractor shall reasonably cooperate with Owner in enforcing the terms of all such warranties and guarantees.

ARTICLE 15 PAYMENTS

15.1 The Owner shall pay to the Contractor the Contract Price, as may be amended as full compensation for the Work. Payment by Owner for Contractor's cost of all labor, materials, equipment, taxes, professional fees, permits, and other reasonable costs associated with and required to complete the Project shall be made as follows:

15.1.1 Contractor shall invoice costs required to complete the Project monthly or more often as required. Owner shall pay such invoices within five (5) business days from the time that the Owner receives the invoice.

15.1.1.1 With each billing, Contractor (and, if applicable, Contractor's Subcontractor) shall deliver to Owner:

15.1.1.2 A statement showing the percentage of work completed up through the prior progress payment, by major cost code.

15.1.1.3 A conditional release from any claim or mechanics' lien from each Contractor, laborers, material suppliers, and Subcontractors who provided labor, materials, or supplies for the component(s) of the Work covered by the requested progress payments.

15.1.1.4 An unconditional release or other proof of payment from any claim or mechanics' lien from such claimant who provided in connection with a prior progress payment to Contractor a conditional mechanics' lien release for the payment due (if any) to such claimant immediately preceding such payment.



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15.2 When the Contractor has achieved Substantial Completion, the Owner shall pay to the Contractor the Contract Price, less the value of the Work remaining to be completed, if any.

15.3 Upon Final Completion and acceptance of the Work, the Owner shall pay the Contractor all amounts remaining to be paid under the Contract.

15.4 There is no agreement to authorize a "retention" amount as a reserve. Owner is not allowed to withhold any portion of the invoiced amounts during the construction of the Project, as there is no agreement to authorize a reserve amount to be withheld by Owner.

ARTICLE 16 CHANGES

16.1 The Work shall be subject to change by additions, deletions or revisions by Owner. The Contractor will be notified of such changes by receipt of additional and/or revised drawings, specifications, exhibits or written orders.

16.2 Whenever an equitable adjustment in the Contract Price or the Contract Time is provided for under the Contract Documents, or if the Owner has notified the Contractor of a change, the Contractor shall submit to the Owner within a reasonable time a detailed estimate with supporting calculations and pricing together with any adjustments in the schedule reflecting any changes in the Contract Price and the Contract Time. Pricing shall be in accordance with the pricing structure of this Contract; however, to the extent that such pricing is inapplicable, the cost of the change or the amount of the adjustment shall be determined on the basis of cost to the Contractor plus reasonable amounts for overhead and profit.

16.3 The Contractor shall not perform changes in the Work until the Owner has approved in writing the changes in the Contract Price and Contract Time; provided, however, that Changes in the work may be performed by the Contractor where reasonably required due to emergency situations to protect the safety of persons or property. Upon receiving such written approval from the Owner, the Contractor shall diligently perform the change in strict accordance with this Contract.

16.4 The Owner may expressly authorize the Contractor in writing to perform the change prior to approval of price and schedule adjustments by the Owner. The Contractor shall not suspend performance of this Contract during the review and negotiation of any change, except as may be directed by the Owner, so long as the change is a reasonably foreseeable alteration to the Work originally contemplated by the Contract Documents. In the event the Owner and the Contractor are unable to reach agreement on changes in the Contract Price and the Contract Time, the matter shall be resolved in accordance with Article 19.

ARTICLE 17 EXTENSIONS OF TIME

17.1 Contract Time stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work, subject to any Delay(s) and any additions to the scope of work by the Architect, Engineer, or Owner.

17.2 The Contract Time shall be extended as necessary to compensate for delay in the progress of the Work resulting from changes in the Work, suspension of the Work (in whole or in part) by the



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Owner, failure of the Owner to make progress payments promptly, any other act or omission by the Owner or its employees, agents or representatives contrary to the provisions of the Contract or by another contractor employed by the Owner, or any other cause which could not have been reasonably foreseen, or which is beyond the control of the Contractor, its Subcontractor or suppliers, and which is not the result of their fault or negligence, including, but not restricted to, acts of any governmental authority, acts of a public enemy, fire, unusual delay in transportation, abnormal adverse weather conditions not reasonably anticipatable, or labor disputes but only to the extent such delays materially impact Contractor's ability to perform its obligations under this Contract (each, a "Delay"). Each party shall use reasonable diligence to avoid any such Delays and, in the event of a Delay, shall resume performance under this Contract as promptly as possible.

17.3 The Contractor shall give to the Owner notice of any delay within a reasonable time after the occurrence or commencement of a cause of delay. The Contractor's notice shall include an estimate of the probable effect of the cause of delay on the progress of the Work.

ARTICLE 18 CLAIMS

18.1 Subject to the provisions of **Article 18**, the Contractor shall give to the Owner written notice within a reasonable time after the happening of any event which the Contractor believes may give rise to a claim for an equitable adjustment in the Contract Price or the Contract Time. Within a reasonable time after the happening of such event, the Contractor shall supply the Owner with a statement supporting such claim, which statement shall include a detailed estimate of the change in the Contract Price and the Contract Time. If requested by the Owner in writing, the Contractor shall provide reasonable documentation to substantiate its claim. The Contractor agrees to continue performance of the Work during the time any claim is pending, so long as the work requested is a reasonably foreseeable addition to the work originally contemplated in the Contract Documents. The Owner shall not be bound to any adjustments in the Contract Price or the Contract Time unless expressly agreed to by the Owner in writing.

18.2 Claims by either party for damages due to injury or damage to person or property or for delay, interference, suspension or interruption of work or for any other damage shall be made in writing to the other party within 30 days after the happening of such event or the first observance of such cause for damage.

ARTICLE 19 RIGHTS AND REMEDIES

19.1 The duties, obligations, rights and remedies in these Contract Documents shall be cumulative, in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law, unless otherwise indicated.

19.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of, or acquiescence in, any breach, except as may be specifically agreed in writing or specified in the Contract.



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ARTICLE 20 TERMINATION

20.1 Contractor may terminate this Contract for any reason by providing a seven (7) day written notice to Owner. The notice shall inform the Owner why the contract is being terminated.

20.2 Owner may terminate this Contract for any reason by providing a seven (7) day written notice to Contractor. The notice shall inform the Contractor why the contract is being terminated.

20.2.1 Contractor shall then discontinue the work. Upon any such termination, the Contractor shall be compensated for all costs incurred for that portion of the Work then performed.

20.3 If the Project or any part thereof is damaged or destroyed by fire, storm, flood, landslide, earth movement, subsidence, earthquake, theft, vandalism, accident, act of God, or other cause to the extent not due to Contractor's (or Contractor's Subcontractor) negligence or willful misconduct, then Owner shall, to the extent insurance proceeds are available therefore, pay for any work performed by Contractor (or Contractor's Subcontractor) in rebuilding or restoring the Project. In the event that insurance proceeds are not available to cover such costs, then Owner shall have the ability to terminate this Contract upon written notice to Contractor with no liability to Contractor other than payment in full for any unpaid or unbilled work performed by Contractor (or Contractor's Subcontractor) prior to the damage or destruction and accordance with this Contract.

ARTICLE 21 COMPLETION AND ACCEPTANCE

21.1 The Contractor shall be responsible for the Work until Final Completion.

21.2 The Contractor shall notify the Owner upon Substantial Completion of the Work. The Owner shall promptly verify whether Substantial Completion Date has occurred. If not, the Owner shall promptly state in writing to the Contractor what must be reasonably done to achieve Substantial Completion. This procedure shall be repeated until Substantial Completion has been achieved. Acceptance of Substantial Completion shall not be unreasonably withheld by Owner.

21.3 The Contractor shall notify the Owner upon Final Completion of the Work. The Owner shall promptly verify whether Final Completion has occurred and, if not, the Owner shall promptly state in writing to the Contractor what must be done to achieve Final Completion. This procedure shall be repeated until Final Completion has been achieved. Acceptance of Final Completion shall not be unreasonably withheld by Owner.

ARTICLE 22 PROTECTION OF THE PUBLIC AND OF WORK AND PROPERTY

22.1 The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work.

22.2 The Contractor shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to: a.) all employees on the Work and all other persons who may be affected, and b.) all the Work and its materials and equipment.



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22.3 The Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damages, injury or loss.

22.4 In any emergency affecting the safety of persons or property, the Contractor shall act to prevent threatened damage, injury or loss, and, if such emergency is not the fault of the Contractor, shall be entitled to an equitable adjustment in the Contract Price and the Contract Time.

ARTICLE 23 INSURANCE

23.1 Contractor's Insurance

23.1.1 The Contractor shall procure and maintain insurance as set forth below which will protect the Contractor from claims arising out of the Contractor's operations under this contract including claims against the Contractor arising out of operations performed for the Contractor by Subcontractors. Insurance coverage shall be at limits specified in the Contract Documents. Insurance shall be maintained continuously from the commencement of the Work until final payment.

23.1.2 Certificates of insurance shall be filed with the Owner prior to commencement of the Work. If any reduction of coverage occurs, the Contractor shall furnish the Owner with information regarding such reduction as soon as reasonably possible.

23.1.3 The Contractor shall maintain the following insurance:

23.1.3.1 During the term hereof, Contractor shall procure and maintain a policy of general public liability insurance in the amount of at least One Million Dollars (\$1,000,000.00) for each occurrence and Two Million (\$2,000,000.00) aggregate. If Owner requires increased insurance limits, the Owner will pay Contractor a one-time fee for this increased insurance. Contractor shall provide a certificate or proof of such policy to each party promptly after execution of this Contract. The required coverage shall be maintained under either a Comprehensive General Liability or Commercial General Liability policy providing insurance for Bodily Injury and Property Damage Liability and including coverage for: (i) Personal Injury Liability; (ii) Contractual Liability insuring the tort liability obligations assumed by the Contractor in this contract; (iii) completed operations coverage; and (iv) coverage for Subcontractor's work. Owner shall be listed as additional insured.

23.1.3.2 Contractor shall procure and maintain during the term of this Contract, a policy of workers' compensation or employer's liability insurance for the protection of Contractor's employees working on the Project ("Worker's Compensation Insurance"). Prior to commencement of the Work, Contractor shall deliver to Owner a certificate evidencing its Worker's Compensation Insurance. The Certificates of Insurance shall provide that the insurance may not be canceled without 30 days prior written notice to Owner.

23.2 Owners Liability Insurance



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23.2.1 The Owner shall be responsible for purchasing and maintain the Owner's usual liability insurance.

23.3 Property insurance

23.3.1 Owner, at Owner's expense, shall procure and maintain during the term hereof, a broad form policy of builder's risk insurance which shall include course of construction, vandalism, fire and malicious mischief clauses, insuring the Project and all materials on-site but not yet incorporated into the Project, at their full replacement value, or a home owners' policy with substantially similar coverage for additional structures. Insurance for loss caused by flood, surface waters and earthquake shall not be required and Contractor shall have no obligation to remedy any damage caused by risks uninsured by Owner, including, but not limited to, loss of use of Owner's property due to fire or other hazards. The insurance shall name Contractor as an additional insured and shall be written to protect Owner and Contractor and any construction lenders as their interests may appear. Should Owner fail to procure such insurance before commencement of any work hereunder, then Contractor may (but shall not be required to) procure such insurance as agent for and at the expense of Owner.

23.3.1.1 If property insurance deductibles are identified in the Contract Documents, the Owner shall pay costs not covered because of such deductibles. If the Owner or insurer increases the required deductibles above the amounts so identified, the Owner shall be responsible for payment of the additional costs not covered because of such increased deductibles. If deductibles are not identified in the Contract Documents, the Owner shall pay costs not covered because of deductibles.

23.3.2 Prior to the first date on which any risk of an exposure to loss may occur, the Owner shall provide the Contractor with a complete copy of each policy that includes insurance coverage's required by this Contract.

23.3.3 The Owner and Contractor hereby release and waive all rights against each other and any of their employees, contractors and agents for damages caused by perils (and to the extent of insurance for such perils) covered by insurance (including the deductible portion thereof) obtained or required to be obtained pursuant to this Contract or other insurance applicable to the Work. The Owner or the Contractor, as appropriate, shall require Subcontractors to provide similar waivers (written where legally required for validity) each in favor of all other parties enumerated in this subparagraph 24.3.5. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against either party in connection with any damage covered by such policy.

ARTICLE 24 ASSIGNMENT

24.1 Neither party to the Contract shall assign the Contract in whole or part, including an assignment by the Contractor of any monies due or to become due, without the written consent of the other. This section shall not apply to the subcontracting by the Contractor of any portion of the Work.

ARTICLE 25 SUBCONTRACTORS

25.1 Contractor shall require each Subcontractor employed by Contractor to perform labor on the Project to do the following: (1) procure and maintain during the performance of the labor, at



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Subcontractor's own cost and expense, a policy of workers' compensation or employer's liability insurance for the protection of the Subcontractor's employees (including executive, managerial and supervisors) engaged in work on the Project in accordance with California law, (2) to deposit with Contractor a certificate satisfactory to Contractor evidencing that insurance and (3) Comprehensive General Liability insurance with a minimum per occurrence coverage of three hundred fifty thousand dollars (\$350,000).

25.2 The Contractor shall select Subcontractors as required to complete this contract. It shall be the duty of the Contractor to use reasonable care in the selection of Subcontractors. Owner acknowledges that various portions of the work will be done by Subcontractors. Any Subcontractor selected by the Contractor shall have all requisite licenses for the work to be done by such, and the Contractor shall issue subcontracts in writing whose specifications are consistent with this agreement.

25.3 The Contractor shall pay Subcontractors on a timely basis and obtain from Subcontractors any necessary documentation required to release their lien rights, if any, as the work proceeds.

ARTICLE 26 PUNCHLIST

26.1 Contractor shall give Owner thirty (30) days notice of the anticipated Substantial Completion Date. No later than fifteen (15) days before the anticipated Substantial Completion Date, Contractor and Owner shall conduct a full inspection of the house. Within three (3) days after such inspection, Owner will give Contractor a Punch list ("Initial Punchlist") that lists any identified reasonable deficiencies in workmanship or materials not in accordance with the Plans and Specifications.

26.2 Contractor shall have the items corrected by the appropriate subcontractor on the Initial Punchlist that are not in conformance with the plans and specifications for the Project implemented using best construction practices as soon as reasonably possible. Owner shall provide reasonable access to the Project in order to correct defects in a timely fashion. Contractor shall have a commercially reasonable amount of time to complete Initial Punchlist items.

26.3 Contractor shall give ten (10) days notice of Substantial Completion (which shall include completion of the Initial Punchlist). Upon receiving such notice, Contractor and Owner shall inspect the home no later than five (5) days after Substantial Completion. The Owner will not move in before this inspection of the home and the recording of the Notice of Completion. Owner will have thirty (30) days from the date of move-in to compile an additional Punch list ("Secondary Punchlist") that identifies any deficiencies in workmanship or materials.

26.4 Contractor shall have the items corrected by the appropriate subcontractor on the Secondary Punchlist that are not in conformance with the plans and specifications for the Project implemented using best construction practices at no cost to Owner. Owner shall provide reasonable access to the Project in order to correct defects in a timely fashion. Contractor shall have a commercially reasonable amount of time to complete Secondary Punchlist Items.

26.5 In accordance with Section 15.2, with the exception of manufactured products carrying a more limited manufacturer's warranty, for any items in addition to the Initial Punchlist and Secondary Punchlist items up to one year from Substantial Completion, Owners may submit requests for repairs or



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deficiencies in workmanship. Owner shall provide reasonable access to the Project in order to correct defects in a timely fashion. Contractor shall have the items corrected by the appropriate subcontractor at the earliest possible mutually convenient time.

ARTICLE 27 ARBITRATION

27.1 Any dispute, claim or controversy arising out of or relating to this Agreement or its alleged breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, which cannot be resolved by mutual agreement, shall be determined by arbitration in San Francisco, California, unless the parties otherwise mutually agree in writing to a different location. The arbitration shall be before one arbitrator, who shall be a lawyer or retired judge with at least 10 years of experience in construction dispute resolution, unless mutually agreed to in writing by the parties. The arbitration shall be administered by JAMS pursuant to its Engineering and Construction Arbitration Rules & Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

27.2 The notice of arbitration may not be given with respect to a claim after the date that claim would have been barred in a judicial proceeding by the applicable statute of limitations. The parties shall be entitled to limited discovery of the other parties' documentary evidence (including electronic communications) and inspect the Property as determined by the arbitrator. The party which the arbitrator determines has prevailed on the majority of the issues (determined on the basis of the dollar value of each issue) shall be compensated by the other party for the JMAS fees and the fees of the arbitrator. Otherwise, each party shall bear its own attorneys' fees, expert witness fees, and costs incurred in connection with any arbitration. Each Party irrevocably and unconditionally waives any right to trial by jury with respect to any proceeding relating to or arising out of this agreement. Either party may specifically enforce (a) a decision rendered under the Agreement to arbitrate or (b) any valid agreement to arbitrate with additional persons, under applicable arbitration laws. The award rendered by the arbitrator(s) will be final and binding, and any court with jurisdiction over the decision may enter a judgment upon the arbitrator's decision.

BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION".



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Initial: ^{DS} RJ / ^{DS} IC	^{DS} TD
Owner	Contractor

ARTICLE 28 GOVERNING LAW

The Contract shall be governed by the law of California with venue in San Francisco County.

ARTICLE 29 NOTICE

Any notice required by this Contract to be given shall be in writing and shall be delivered during normal business hours or mailed first class postage prepaid. If notice is to be given to the Owner or the Contractor, it shall be sent to the postal address shown in the signature block at the end of this Contract, or to such other address as either party may designate for itself by notice to the other. Notice shall be effective upon personal delivery or five (5) calendar days after the date of mailing.

ARTICLE 30 INDEMNIFICATION

30.1 Owner agrees to indemnify, defend and hold harmless Contractor, and Contractor's agents and assigns, from and against any and all claims, losses, damages, liabilities, injuries (to person or property) and expenses ("Claims") arising out of environmental conditions located on or about the Real Property, including, without limitation, asbestos, lead-based paint, petroleum products, and other hazardous or toxic materials or conditions except to the extent any such Claims result from hazardous or toxic materials brought onto the property by Contractor, any , supplier or other agent of Contractor. Owner acknowledges and understands that if Contractor encounters any hazardous or toxic materials or conditions in the performance of the Work, Contractor is obligated by state law to immediately stop work and notify the Owner. The Owner is then solely responsible for complying with local codes and ensuring that all such conditions are abated. The Contractor cannot resume work until it is notified in writing that all conditions have been abated. The foregoing indemnification provisions shall extend to Claims occurring during the performance of this Agreement, after final completion of construction pursuant to after this Agreement, and/or after this Agreement is terminated as well as while it is in force for any reason.

30.2 Contractor agrees to indemnify, defend and hold harmless Owner from and against any and all Claims or damages, arising out of or in connection with Contractor's performance of the Work, except to the extent any such Claims result from the negligence or willful misconduct of Owner.

30.3 The foregoing indemnification provisions shall extend to Claims occurring after this Contract is terminated as well as while it is in force.

ARTICLE 31 Limitation of Liability

31.1 Contractor will not be held responsible for problems arising from unknown or unforeseen soils, environmental, or other existing conditions related to the property or for other matters as related to the project outside of its commercially reasonable control.



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31.2 Contractor does not assume any responsibility or liability for defects in the design or engineering of the plans or specifications but Contractor will promptly report any nonconformity discovered by Contractor.

31.3 In no event shall Contractor be liable to Owner or any other party for any incidental, indirect, consequential, punitive, or special damages, including, without limitation, delay in securing occupancy, rental value for inability to occupy all or part of the dwelling, and/or lost profits arising in connection with this Agreement, even if Contractor is informed in advance of the possibility of such damages.

ARTICLE 32 MISCELLANEOUS PROVISIONS

The following general provisions shall apply to this Contract:

32.1 Owner shall execute, acknowledge, and record a Notice of Completion within five (5) days after final inspection and approval of the Project as being completed by the Woodside building inspection department, County of Santa Clara, California. If Owner fails to so record the Notice of Completion, then Owner hereby appoints Contractor as its agent for this limited purpose to sign and record a Notice of Completion on Owner's behalf. This agency is irrevocable (unless the Contract is terminated) and is an agency coupled with an interest.

32.2 Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract.

32.3 This Contract contains the entire agreement between the parties, and supersedes all prior or contemporaneous written or oral communications.

32.4 This Contract may not be changed or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change or termination is sought. No breach of any agreement, warranty or representation shall be deemed waived unless expressly waived in writing by the party who might assert such breach.

32.5 This Contract may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

32.6 Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Contract, nor shall it be considered to be a waiver by such party of any other covenant, condition or promise contained herein. The waiver of either or both parties of the time for performing any act shall not be construed as a waiver of any other required to be performed at a later date.

32.7 Each person executing this Contract represents that the execution of this Contract has been duly authorized by the party on whose behalf the person is executing the Contract and that such person is authorized to execute the Contract on behalf of such party.

32.8 The terms, covenants and conditions of this Contract shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the respective parties to this Contract.



Evolve Building, Inc.
2540 California Street, San Francisco, CA 94115
O 415.895.0365 :: M 650.339.3376
info@evolve-us.com

PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

32.9 If any provision of this Contract is determined to be illegal or unenforceable for any reason, the same shall be severed from the Contract and the remainder of the Contract shall be given full force and effect.

32.10 Time is of the essence of this Contract and each and every one of its provisions.

32.11 All exhibits attached to the Contract are incorporated as if set forth in full.

32.12 This Contract is deemed prepared by both parties as both parties have had the right to legal counsel to review and comment.

32.13 **Exhibit D** is a notice to Owner concerning mechanic's liens.

32.14 Contractor is required by law to be licensed and regulated by the Contractors' State License Board (CSLB), which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. Contractor hereby acknowledges and agrees that Contractor holds a valid license from the CSLB and is currently in good standing with the CSLB. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826 (or via phone at (800) 321-CSLB).

Agreed to by OWNERS and CONTRACTOR on the date stated above:

OWNER:

Iris Chen & Richard Jackson

DocuSigned by:
Iris Chen
By: 000842B5728D4E5...
Iris Chen
DocuSigned by:
Richard Jackson
By: 324FBA90836A479...
Richard Jackson

CONTRACTOR:

Evolve Building, Inc.
2540 California St
San Francisco, CA 94109

California Contractor License No. 960260



Evolve Building, Inc.
2540 California Street, San Francisco, CA 94115
O 415.895.0365 :: M 650.339.3376
info@evolve-us.com

PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

By: DocuSigned by:
Tyson H. Dirksen
0E8241A68FBB4A1...
President

Its: _____

Note: This document has important legal consequences. Consultation with an attorney is strongly encouraged with respect to its use or modification.



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PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

Exhibit A

Scope of Work

Please see attached scope of work.



Evolve Building, Inc.
2540 California St, San Francisco, CA 94115
Mobile 650.339.3376 :: Fax 415.580.6148
info@evolve-building.com

485 Eleanor Drive Scope Of Work

1. Flooring
 - a. New oak flooring throughout the house, except for bathrooms
 - b. New tile flooring in all bathrooms
2. Kitchen
 - a. New kitchen cabinets
 - b. New kitchen countertops
 - c. New backsplash
 - d. New sink and plumbing fixtures
 - e. New appliances
3. Laundry
 - a. New countertops
 - b. New backsplash tile
 - c. Add laundry sink
 - d. New washer and dryer
4. Pantry
 - a. New pantry in old office area
 - b. Pantry system no included
5. Office
 - a. New office cabinets
 - b. New countertop at desk
6. Dining room
 - a. Remove dropped ceiling
 - b. Remove/replace countertops
 - c. New dining room cabinets
7. Living room
 - a. New mantle
8. Family Room
 - a. Removing existing cabinetry
 - b. Redirect fireplace flue out sidewall of house
 - c. New mantle
 - d. New cabinet to right of fireplace
9. Powder Room
 - a. Remove cabinets
 - b. New sink and plumbing fixtures
 - c. New lighting
10. Mudroom



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info@evolve-building.com

485 Eleanor Drive
Scope Of Work

- a. New cabinets
- 11. Avery's Room
 - a. New cabinets at mudroom wall
- 12. Avery's bathroom
 - a. New Alape cabinets, countertops, sink
 - b. New wall and floor tile
 - c. New plumbing fixtures
- 13. Stairs
 - a. New balustrading at stairs
 - b. Remove corrugated tin at ceiling
- 14. Master Bathroom
 - a. New custom cabinets
 - b. New countertops and sink
 - c. New plumbing fixtures
 - d. New wall and floor tile throughout
 - e. New glass enclosure at shower
 - f. New tub
 - g. Frosted door at toilet room
- 15. Master Closet
 - a. Combine master bedroom closet
 - b. Closet system is not included
- 16. Upstairs girl's bath
 - a. New Alape cabinets, countertops, sink
 - b. New wall and floor tile
 - c. New plumbing fixtures
 - d. New glass at shower
- 17. New cabinets between girl's bedrooms
- 18. Painting
 - a. Prep and paint all rooms
 - b. Prep and paint all interior doors
- 19. (5) New Pocket Doors
 - a. Replace pocket doors throughout house



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PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

Exhibit B

Control Estimate

The following Control Estimate is hereby incorporated herein by this reference.



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Project Budget
Confidential

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TOTAL PROJECT COST

TOTAL PROJECT COSTS	Budget v2	Variance	Comments
TOTAL HARD COSTS	\$ 678,499.07	\$ (32,305)	\$ -
TOTAL SOFT COSTS	\$ 181,299.81	\$ 1,939	\$ -
Total Project Cost Per Square Foot	\$ 859,798.88	\$ (30,366)	\$ -

Budget Summary

SUMMARY HARD COSTS	Budget v2	Variance	Comments
1 SITE PREPARATION & GENERAL REQUIREMENTS	\$ 1,963.50	\$ -	
2 SOFT DEMO	\$ 23,481.15	\$ -	
3 ROUGH FRAMING	\$ 8,500.00	\$ (6,862)	
4 WATERPROOFING	\$ -	\$ (2,079)	
5 GUTTER, DOWNSPOUTS, SHEET METAL	\$ -	\$ (329)	
6 ROOF	\$ -	\$ (8,743)	
7 FAÇADE - Material and Install at Kitchen Window & Door, Fireplace Window	\$ -	\$ -	
8 HVAC	\$ 45,000.00	\$ -	
9 ROUGH PLUMBING	\$ 21,714.00	\$ -	
10 ROUGH ELECTRICAL & LIGHTING	\$ 23,100.00	\$ -	
11 AV, SECURITY, COMMUNICATIONS, ENTERTAINMENT	\$ -	\$ -	
12 FIREPLACES & SURROUNDS	\$ 6,252.25	\$ (4,258)	
13 EXTERIOR DOORS & WINDOWS	\$ -	\$ (23,054)	
14 SOUNDPROOFING	\$ 2,714.25	\$ -	
15 INSULATION OR AIR SEALING	\$ 2,009.70	\$ -	
16 SHEETROCK	\$ 24,791.50	\$ 2,500	
17 INTERIOR DOORS	\$ 8,200.50	\$ (2,050)	
18 Interior Doors ((5) pockets)	\$ 808.50	\$ (751)	
19 FINISH CARPENTRY LABOR	\$ 7,657.65	\$ (1,802)	
20 PAINT & STAIN	\$ 44,583.00	\$ -	
21 HARDWARE (CABINETS, DOOR, & OTHERS)	\$ 7,449.75	\$ (1,992)	
22 CABINETRY & PANELING	\$ 144,620.99	\$ 15,000	
23 COUNTERTOPS, SPLASHES, FIREPLACE SURROUNDS	\$ 39,375.00	\$ 2,324	
24 TILE FLOORING & WALLS	\$ 51,570.75	\$ -	
25 HARDWOOD FLOORING	\$ 96,465.60	\$ -	
26 SHOWER ENCLOSURES & MIRRORS	\$ 6,000.00	\$ -	
27 CLOSETS	\$ 16,170.00	\$ -	
28 FINISH PLUMBING & ACCESSORIES	\$ 28,991.50	\$ (2,910)	
29 FINISH ELECTRICAL & LIGHT FIXTURES	\$ 6,502.65	\$ -	
30 RAILINGS	\$ 6,000.00	\$ -	
31 APPLIANCES	\$ 40,624.43	\$ 2,700	
32 TRASH REMOVAL, DUMPSTERS, AND CLEANING	\$ 13,952.40	\$ 0	
35 CONTINGENCY 0%	\$ -	\$ -	
Total Hard Costs	\$ 678,499.07	\$ (32,305)	



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SUMMARY SOFT COSTS

		Budget v2	Variance	Comments
41	AS BUILTS	\$ 4,000.00	\$ -	
42	STRUCTURAL ENGINEER	\$ -	\$ -	
43	CIVIL ENGINEER	\$ 6,300.00	\$ -	
44	MECHANICAL ENGINEER	\$ 5,000.00	\$ -	
45	HERS; LEED; BIG; PASSIVE HOUSE	\$ 1,000.00	\$ -	
46	TITLE 24 & PLAN SETS	\$ 1,500.00	\$ -	
47	PERMITS & FEES	\$ 10,000.00	\$ -	
48	STEEL, CONCRETE, AND OTHER SPECIAL CERTIFICATIONS	\$ -	\$ -	
49	LANDSCAPE ARCHITECT	\$ -	\$ -	
50	RENDERINGS	\$ 7,000.00	\$ 7,000	
51	BUILDER'S RISK INSURANCE	\$ 3,200.00	\$ -	
56	GENERAL CONTRACTOR'S FEE	20% \$ 143,299.81	\$ (5,061)	
57	CONTINGENCY	0% \$ -	\$ -	
	Total Soft Costs	\$ 181,299.81	\$ 1,939	

Hard and Soft Cost Schedules**SITE PREPARATION & GENERAL REQUIREMENTS**

		Budget v2	Variance	Comments
1.01	Temporary power permit & pole rental	\$ -	\$ -	
1.02	Temporary fencing & tree protection	\$ -	\$ -	
1.03	Sanitation service	\$ 1,963.50	\$ -	
1.04	Temporary power	\$ -	\$ -	
1.05	Temporary water and standpipe	\$ -	\$ -	
1.06	New/upgrade sewer, water, electrical, etc	\$ -	\$ -	
1.07	PG&E gas & electric service	\$ -	\$ -	
1.08	Scaffold	\$ -	\$ -	
1.09	Storage Container / Temp Office	\$ -	\$ -	
	TOTAL SITE PREPARATION & GENERAL REQUIREMENTS	\$ 1,963.50	\$ -	

SOFT DEMO

		Budget v2	Variance	Comments
2.01	Gut Interior	\$ 17,740.80	\$ -	
2.02	Remove Tin Ceiling and Dining Room Ceiling (Scaffold/Ladder Work Necessary)	\$ 2,691.15	\$ -	
2.03		\$ -	\$ -	
2.02	Cleanup	\$ 3,049.20	\$ -	
	TOTAL SOFT DEMO	\$ 23,481.15	\$ -	

ROUGH FRAMING

		Budget v2	Variance	Comments
3.00	ROUGH FRAMING	\$ 8,500.00	\$ (6,862)	
3.01		\$ -	\$ -	
3.02		\$ -	\$ -	
	TOTAL ROUGH FRAMING	\$ 8,500.00	\$ (6,862)	

WATERPROOFING

		Budget v2	Variance	Comments
4.01	Waterproofing	\$ -	\$ (2,079)	A kitchen window and door, plus roof windows
	TOTAL WATERPROOFING	\$ -	\$ (2,079)	

GUTTER, DOWNSPOUTS, SHEET METAL

		Budget v2	Variance	Comments
5.01	Door Pans	\$ -	\$ (329)	
5.02	Miscellaneous flashings & roof jacks	\$ -	\$ -	
	TOTAL GUTTER, DOWNSPOUTS, SHEET METAL	\$ -	\$ (329)	



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ROOF

		Budget v2	Variance	Comments
6.01	Install and Flash Roof Windows		\$ (8,743)	To install & Flash 3 Skylights.
6.02	Gutters, downspouts, and roof flashing	\$ -	\$ -	
	TOTAL ROOF	\$ -	\$ (8,743)	

FAÇADE - Material and Install at Kitchen Window & Door, Fireplace Window

		Budget v2	Variance	Comments
7.01	Siding repairs at new windows and doors	\$ -	\$ -	
7.02	Front Wood Trim, Window Casing, and Arch Details	\$ -	\$ -	
	TOTAL FAÇADE - Material and Install at Kitchen Window & Door, Fireplace Window	\$ -	\$ -	

HVAC

		Budget v2	Variance	Comments
8.01	Heating	\$ 25,000.00	\$ -	
8.02	Ventilation - HRV, Garage, DHW, Bathroom, Rangehood	\$ 20,000.00	\$ -	
	TOTAL HVAC	\$ 45,000.00	\$ -	

ROUGH PLUMBING

		Budget v2	Variance	Comments
9.01	New stub outs, drains, water closets and rough valve installs at all affected area	\$ 21,714.00	\$ -	Does not include rough valves of finish fixtures. This is only labor and piping supplies for Kitchen, master bath, girls bathroom upstairs and bedroom bathroom on first floor and adding a sink in laundry. Unless there is a wall mounted faucet in powder, powder is good.
	TOTAL ROUGH PLUMBING	\$ 21,714.00	\$ -	

ROUGH ELECTRICAL & LIGHTING

		Budget v2	Variance	Comments
10.01	Rough electrical labor & materials	\$ 23,100.00	\$ -	
	TOTAL ROUGH ELECTRICAL & LIGHTING	\$ 23,100.00	\$ -	

A/V, SECURITY, COMMUNICATIONS, ENTERTAINMENT

		Budget v2	Variance	Comments
11.01	A/V & Data Wiring	\$ -	\$ -	
11.02	Sonos Units, Amps, Remotes, and Speakers (6 Zone System)	\$ -	\$ -	
11.03	A/V equipment & installation labor	\$ -	\$ -	
	TOTAL A/V, SECURITY, COMMUNICATIONS, ENTERTAINMENT	\$ -	\$ -	

FIREPLACES & SURROUNDS

		Budget v2	Variance	Comments
12.01	Living Room (New Mantle)	\$ 2,252.25	\$ -	
12.02	Family Room (Remove and Replace Existing Mantle) (Keep existing fireplace unit but redirect chimney)	\$ 4,000.00	\$ (4,258)	
12.03		\$ -	\$ -	
	TOTAL FIREPLACES & SURROUNDS	\$ 6,252.25	\$ (4,258)	



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EXTERIOR DOORS & WINDOWS

		Budget v2	Variance	Comments
13.01	Exterior Doors	\$ -	\$ (4,920)	For the install of the door only. Framing and waterproofing already accounted for.
13.02	Exterior windows	\$ -	\$ (11,204)	For the install of (2) windows only. Framing and waterproofing already accounted for.
13.03	Skylights	\$ -	\$ (6,930)	(4) New Lamilux Skylights
13.04	Garage doors	\$ -	\$ -	
TOTAL EXTERIOR DOORS & WINDOWS		\$ -	\$ (23,054)	

SOUNDPROOFING

		Budget v2	Variance	Comments
14.01	Sound absorbent batts at all bathroom and laundry walls	\$ 2,714.25	\$ -	Sound absorbent batts at all bathroom and laundry walls
14.02	Sound Proofing Under 2nd Floor Hardwood?	\$ -	\$ -	
TOTAL SOUNDPROOFING		\$ 2,714.25	\$ -	

INSULATION OR AIR SEALING

		Budget v2	Variance	Comments
15.01	Blower door testing main house identifying problems to home homeowner	\$ 2,009.70	\$ -	
TOTAL INSULATION OR AIR SEALING		\$ 2,009.70	\$ -	

SHEETROCK

		Budget v2	Variance	Comments
16.01	All patches	\$ 22,291.50	\$ -	Hang, tape, mud, sand
16.02	Remove Tin Ceiling and Dining Room Ceiling (Scaffold/Ladder Work Necessary)	\$ 2,500.00	\$ 2,500	
16.03	Other miscellaneous finish materials	\$ -	\$ -	
TOTAL SHEETROCK		\$ 24,791.50	\$ 2,500	

INTERIOR DOORS

		Budget v2	Variance	Comments
17.01	Interior Doors (Hinged)	\$ -		
17.02	Interior Doors ((5) pockets)	\$ 2,587.20		Replacement tracks
17.03	Installation of Interior Doors (New Tracks and Hanging Of Existing Pocket Doors)	\$ 5,613.30		Replacement tracks (5)
TOTAL INTERIOR DOORS		\$ 8,200.50	\$ -	

FINISH MATERIALS

		Budget v2	Variance	Comments
18.01	Baseboard	\$ 231.00	\$ -	
18.02	Kitchen Door Trim	\$ -	\$ (404)	
18.03	Windows (2) Trim	\$ -	\$ (347)	
18.04	Other miscellaneous finish materials	\$ 577.50	\$ -	
TOTAL FINISH MATERIALS		\$ 808.50	\$ (751)	

FINISH CARPENTRY LABOR

		Budget v2	Variance	Comments
19.01	Install entry door	\$ -	\$ -	
19.02	Door Trim		\$ (1,126)	
19.03	Window Trim		\$ (468)	
19.04	Baseboard	\$ 589.05	\$ -	
19.05	Hardware installation (interior handles, cabinets, bathroom towel bars, toilet paper holders, etc)	\$ 4,469.85	\$ (208)	Assuming new hardware at all doors, bathrooms, etc
19.06	Miscellaneous finish carpentry	\$ 2,598.75	\$ -	
TOTAL FINISH CARPENTRY LABOR		\$ 7,657.65	\$ (1,802)	



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PAINT & STAIN

		Budget v2	Variance	Comments
20.01	Paint & Stain Interior & Exterior (Walls and Trim and Exterior Window Trim)	\$ 26,796.00	\$ -	
20.02	Prep and paint all doors (27)	\$ 17,787.00		
	TOTAL PAINT & STAIN	\$ 44,583.00	\$ -	

HARDWARE (CABINETS, DOOR, & OTHERS)

		Budget v2	Variance	Comments
21.01	Interior Door Hardware	\$ 3,724.88	\$ -	
21.02	Exterior Door Hardware		\$ (1,992)	
21.03	Cabinet Door Hardware	\$ 3,724.88	\$ -	
	TOTAL HARDWARE (CABINETS, DOOR, & OTHERS)	\$ 7,449.75	\$ (1,992)	

CABINETRY & PANELING

		Budget v2	Variance	Comments
22.01	Kitchen	\$ 59,731.48	\$ -	
22.02	TV Cabinets	\$ 3,409.13	\$ -	
22.03	Master Bathroom	\$ 6,816.25	\$ -	
22.04	Bath 1	\$ 2,000.00	\$ -	
22.05	Bath 2	\$ 4,000.00	\$ -	
22.06	Powder	\$ 2,000.00	\$ (500)	
22.07	Laundry	\$ 5,000.00	\$ -	
22.08	Base cabinet between Laundry and Pantry	\$ 2,000.00	\$ (500)	
22.09	Office	\$ 17,297.65	\$ -	
22.10	Downstairs Bedroom	\$ 11,579.35	\$ -	
22.11	Mudroom	\$ 9,542.42	\$ -	
22.12	Upstairs Girls' Hall Cabinet	\$ 3,244.71	\$ (2,000)	
22.13	Dining Room	\$ 5,000.00	\$ 5,000	
22.14	Family Room	\$ 3,000.00	\$ 3,000	
22.14	Installation	\$ 10,000.00	\$ 10,000	
	TOTAL CABINETRY & PANELING	\$ 144,620.99	\$ (500)	

COUNTERTOPS, SPLASHES, FIREPLACE SURROUNDS

		Budget v2	Variance	Comments
23.01	Kitchen counter & splash	\$ 20,000.00	\$ 10,000	
23.02	Master bath vanity	\$ 4,875.00	\$ -	
23.03	Bath 1	\$ -	\$ -	
23.04	Bath 2 Vanity	\$ -	\$ -	
23.05	Powder Vanity	\$ 2,500.00	\$ (295)	
23.06	Laundry	\$ 3,500.00	\$ (3,072)	
23.07	Dining Room Cabinets	\$ 4,000.00	\$ (1,036)	
23.08	Upstairs Hall Countertops	\$ 2,500.00	\$ (2,166)	
23.09	Shower Thresholds	\$ 2,000.00	\$ (1,107)	
23.10	Family Room	\$ 1,000.00	\$ 1,000	
23.11	Office counterrops	\$ 2,500.00	\$ 2,500	
	TOTAL COUNTERTOPS, SPLASHES, FIREPLACE SURROUNDS	\$ 39,375.00	\$ 2,324	

TILE FLOORING & WALLS

		Budget v2	Variance	Comments
24.01	Master Bath (Floor & Shower) - Unit 1	\$ 21,829.50	\$ -	
24.02	Bath 1 (Floor & Tub)	\$ 13,398.00	\$ -	
24.03	Bath 2 (Floor & Tub)	\$ 13,398.00	\$ -	
24.04	Powder (Floor)	\$ -	\$ -	
24.05	Laundry (Floor)	\$ 2,945.25	\$ -	
	TOTAL TILE FLOORING & WALLS	\$ 51,570.75	\$ -	

HARDWOOD FLOORING

		Budget v2	Variance	Comments
25.01	Flooring Allowance	\$ 69,825.60	\$ -	
25.02	Flooring Installation labor	\$ 26,640.00	\$ -	
25.03	Flooring Sand & finish labor (pre-finished)	\$ -	\$ -	
	TOTAL HARDWOOD FLOORING	\$ 96,465.60	\$ -	



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SHOWER ENCLOSURES & MIRRORS

		Budget v2	Variance	Comments
26.01	Shower Enclosures	\$ 6,000.00	\$ -	
26.02	Mirrors throughout	\$ -	\$ -	
26.03	Glass shelving	\$ -	\$ -	
TOTAL SHOWER ENCLOSURES & MIRRORS		\$ 6,000.00	\$ -	

CLOSETS

		Budget v2	Variance	Comments
27.01	Master Closet (Unit 1)	\$ 11,550.00	\$ -	
27.02	Bed 2	\$ 2,310.00	\$ -	
27.03	Bed 3	\$ 2,310.00	\$ -	
27.04	Coat	\$ -	\$ -	
TOTAL CLOSETS		\$ 16,170.00	\$ -	

FINISH PLUMBING & ACCESSORIES

		Budget v2	Variance	Comments
28.01	Kitchen (Unit 1)	\$ 3,372.60	\$ -	Still to be fine tuned as you choose faucets and other finish plumbing
28.02	Master Bath	\$ 13,629.00	\$ -	
28.03	Bath 1	\$ 3,800.00	\$ (1,328)	
28.04	Bath 2	\$ 2,900.00	\$ (1,581)	
28.05	Powder	\$ 3,719.10	\$ -	
28.06	Laundry	\$ 1,570.80	\$ -	
TOTAL FINISH PLUMBING & ACCESSORIES		\$ 28,991.50	\$ (2,910)	

FINISH ELECTRICAL & LIGHT FIXTURES

		Budget v2	Variance	Comments
29.01	Kitchen (Unit 1)	\$ 2,489.03	\$ -	Fan, Recessed light trim, Oc sensors, switches and GFCIs and outlets Fan, Recessed light trim, Oc sensors, switches and GFCIs and outlets Fan, Recessed light trim, Oc sensors, switches and GFCIs and outlets Fan, Recessed light trim, Oc sensors, switches and GFCIs and outlets Fan, Recessed light trim, Oc sensors, switches and GFCIs and outlets
29.02	Master Bath	\$ 802.73	\$ -	
29.03	Bath 1	\$ 802.73	\$ -	
29.04	Bath 2	\$ 802.73	\$ -	
29.05	Powder	\$ 802.73	\$ -	
29.06	Laundry	\$ 802.73	\$ -	
TOTAL FINISH ELECTRICAL & LIGHT FIXTURES		\$ 6,502.65	\$ -	

RAILINGS

		Budget v2	Variance	Comments
30.01	New hand rail	\$ 6,000.00	\$ -	Material and install
30.02	Exterior Balcony Railing (material & installation)	\$ -	\$ -	
TOTAL RAILINGS		\$ 6,000.00	\$ -	



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APPLIANCES		Budget v2	Variance	Comments
31.01	Induction Range	\$ 4,354.35	\$ -	
31.02	Vent Hood	\$ 2,494.80	\$ -	
31.03	Fridge	\$ 10,441.20	\$ -	
31.04	Microwave, Oven, warming drawer stack	\$ 12,173.70	\$ -	
31.05	Dishwasher (2)	\$ 4,804.80	\$ -	
31.06	Clothes Washer (1)	\$ 1,593.90	\$ -	
31.07	Clothes Dryer (1)	\$ 1,593.90	\$ -	
31.08	Garbage Disposal (3)	\$ 467.78	\$ -	
31.09	Appliance Install	\$ 2,700.00	\$ 2,700	
TOTAL APPLIANCES		\$ 40,624.43	\$ -	

TRASH REMOVAL, DUMPSTERS, AND CLEANING		Budget v2	Variance	Comments
32.01	Weekly Clean-up	\$ 6,098.40	\$ -	
32.02	Trash removal and dumpsters	\$ 4,989.60	\$ -	
32.03	Rough clean	\$ -	\$ -	
32.04	Final Clean	\$ 1,016.40	\$ -	
32.05	Protective coverings (Doors, windows, hardwood, cabinets, countertops)	\$ -	\$ -	
32.06	Flagmen	\$ 1,848.00	\$ -	
TOTAL TRASH REMOVAL, DUMPSTERS, AND CLEANING		\$ 13,952.40	\$ -	

Permits & Fees Costs Schedule

PERMITS & FEES		Budget v2	Variance	Comments
46.01	Site development & building permit fee	\$ 10,000.00	\$ -	According to the Woodside, the fee is \$1,233 for the first \$100,000 plus \$5.50 for each additional 1,000. This would calculate to ~\$6,720. We have left \$10,000 for other fees that are added on.
46.02	Sewer Permit, encroachment fee, inspection fee, street cut fee	\$ -	\$ -	
46.03	School district fees	\$ -	\$ -	
Total Permits & Fees		\$ 10,000.00	\$ -	



Evolve Building, Inc.
2540 California Street, San Francisco, CA 94115
O 415.895.0365 :: M 650.339.3376
info@evolve-us.com

PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

Exhibit C
Schedule

The project is estimated by Contractor to take approximately 6 months to Substantial Completion. Rough schedule attached.

Accepted on June 22, 2015 8:00:58 PM EDT



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PRIME CONTRACT BETWEEN OWNER AND CONTRACTOR

- 4) Upon making payment on any completed phase of the Project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the "Waiver and Release" forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your Project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by individuals, the persons signing these releases lose the right to file a mechanics' lien claim against your property. In other types of construction, this protection may still be important, but may not be as complete. To protect yourself under this option, you must be certain that all material suppliers, subcontractor, and laborers have signed the "Waiver and Release" form. If a mechanics' lien has been filed against your property, it can only be voluntarily released by a recorded "Release of Mechanics' Lien" signed by the person or entity that filed the mechanics' lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and such liens are removed. You should consult an attorney if a lien is filed against your property.

DocuSigned by:

Iris Chen

900812B5728D4E5...

Owner's Signature

7/1/2018 12:25:49 AM PDT

Date

DocuSigned by:

Richard Jackson

324FBA90836A479...

Owner's Signature

7/1/2018 12:22:24 AM PDT

Date

Re: *Richard Jackson and Iris Chen v. Evolve Building, Inc.; et al.*
Santa Clara County Superior Court Case No. To Be Assigned

COMPLAINT FOR:

- (1) BREACH OF WRITTEN SETTLEMENT CONTRACT
- (2) COMMON COUNT—MONEY HAD AND RECEIVED
- (3) BREACH OF CONSTRUCTION CONTRACT
- (4) RESCISSION AND QUANTUM MERUIT
- (5) STATUTORY VIOLATIONS OF CALIFORNIA PENAL CODE AND BUSINESS
& PROFESSIONS CODE
- (6) CONVERSION
- (7) FRAUD—INTENTIONAL MISREPRESENTATION
- (8) NEGLIGENT MISREPRESENTATION

EXHIBIT B

Re: *Richard Jackson and Iris Chen v. Evolve Building, Inc.; et al.*
Santa Clara County Superior Court Case No. To Be Assigned

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EXHIBIT B

From: **Tyson Dirksen** <tyson@evolve-us.com>
Date: Tue, Nov 27, 2018 at 4:16 PM
Subject: Re: Termination of Contract
To: Richard Jackson <rojackson@gmail.com>
Cc: Gustavo Mendonca <gus@evolve-us.com>, iris chen <iris.s.chen@gmail.com>

Hi Richard,

Thanks for your email regarding the termination of our contract.

We do want to come to an amicable resolution of this matter but this will take some time considering we have been helping you design, select materials and appliances, plan, render, schedule, budget, and quote this project for over 8 months. Hence, we have been contemplating your points over the last week.

Honestly, we are bit surprised and hurt about with your previous email. Specifically, you have stated several times that you don't feel that Evolve has provided "contemplated benefits", or any actual value to your renovation project. In contrast, we feel that we have gone above and beyond what a normal contractor would do to help you design, select materials and appliances, plan, render, schedule, budget, and quote your renovation project. This integrated design/build model is extremely valuable to you and much more time consuming for us (the contractor). As time of the essence, we jumped right into this project before it was even closed like it was one of our own development projects. We did not sit back and let only you, the home owner, interview, hirer, and manage the interior design teams, which Iris clearly requested in email. Most contractors would have waited for you to hand us a completed set of plans with elevations and specs for us to then price and should we be the best price/team then build.

Based upon your and Iris' goals, we were going to start the project in May 2018 as we had recommended, and thought was accepted, running Interior design and demolition in parallel for our development projects. Unfortunately, you, Richard, did not want to start the project until you had a more definitive design and price, which in the end took 8 months, numerous in person meetings, 22 renderings, numerous iterations of the budget, etc, etc. Honestly, you and Iris required more than normal hand holding to make a decision for each finish, material, color and cost. We tried to be as helpful and directive as possible but, in the end, it was the renderings that we spend numerous hours curating that helped you make your decision. When you were finally ready to start your project in September, we were ready to go but were a bit busy as we did have to take on another job since your start date was postponed 5 months.

Here is a list of the many things that we did for you and your family:

- Coordinated, negotiated, and scheduled the civil engineer
- Scheduled, Interviewed, Reviewed Contracts for Interior Designers (specifically helped significantly reduce the cost of Geremia's contract)
- Reviewed your retaining wall cracks with civil and structural engineer
- Created detailed budget. Did numerous iterations at your request
- Created detailed schedule. Did several numerous as the start date was pushed out numerous times
- Created detailed spec sheet on Google Sheets with recommendations where fixtures or finishes had

yet been selected. Continually asked Melanie to update as we were asked several times to redo budget but the spec sheet was yet to be updated.

- Procured, designed, priced out, and purchased the floors.
- We were integral in the final design for the kitchen.
 - Managed and directed renderings (17 iterations)
 - Mocked-up cabinet door styles and paint (2 iterations)
 - Worked with Geremia and Coddington to on hardware options
 - Recommended Miele appliances
 - Creating the appliance garage/storage area instead of the open shelving in the kitchen was our idea
 - Brought Iris options for all finishes several times
- We were integral in the final design for the master bathroom
 - Managed and directed static renderings (6 iterations)
 - Managed and directed 360 renderings (6 iterations)
 - Worked on designing medicine cabinet design
 - Recommended a very cost effective and beautiful freestanding tub (that tub took me over a year to find for my Larkin project)
 - Brought Iris options for all finishes several times
- Toured you and Iris through several display centers
- Designed and quoted upstairs and downstairs HVAC without utilizing a mechanical engineer
- Designed and drew up storage solutions in downstairs bedroom
- We always tried to have your best interest in mind in guiding you on where to best spend or not spend your money. Some examples of that would be:
 - saving the dining room cabinet
 - saving the handrail
 - devising a way to keep the existing fireplace and make it more visually pleasing
 - fighting the designer not to move the electrical panel to make room for a larger closet\
- We lent many ideas on what to do with the guest house.
- Moving the pantry into the office was our idea.
- We came up with the concept and the original lay-out for pantry and office.]
- Not all of our ideas worked as some were out of budget, some were not to your vision/taste. As professionals, we understand this and know that this happens, that is the process. It didn't stop us from working through all the exercises and giving you all the options. Whether it was exploring the crawl space and attic spaces for HVAC or fireplace options or nailing the perfect blue. That is the process.
- We helped determine what could or could not be done on your property in the way of landscaping due to the easement]
- Etc, etc, etc

None of this is to say that we recreated the wheel or that someone else couldn't have done what we did but the fact remains that we did do it. We could have sat back and let you deal with all these things as most contractors would have and waited for you to hand us a completed set of plans with elevations and specs which we would have then built for you. In effort to help you and in effort to move things along we ran with it and were team players the whole time. We feel three's value in that.

As my MIT Entrepreneurship professor so wisely stated, you need to be able to distill and explain your business ideas and business actions to a seven year old. (I wrote a more condensed version below.) I have discussed this business relationship and outcome at length with my daughter, Stella (7), and my son, Angus (5). I would invite you to do the same with your three daughters as I find it a great learning experience for them and me.

Either way, if you and Iris feel that you have receive no benefit from your relationship with Evolve throughout this process, then we will refund your deposit minus the \$7,000 for the renderings the respective 20% Evolve fee for this rendering work. We prefer to know that we did the right thing.

We will keep the floors for one of our own projects as Gus has spent countless hours perfecting these.

Please let us know you would like to move forward.

Kind regards,

Thanks,

Tyson Dirksen

tyson@evolve-us.com

M: [+1.650.339.3376](tel:+16503393376)



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<http://www.evolvebuildingsupply.com>

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On Nov 20, 2018, at 6:14 PM, Richard Jackson <rojackson@gmail.com> wrote:

Tyson,

Just following up on my email from Friday regarding Evolve's invoice.

Given your failure to respond at all, I am led to believe that you either do not intend to resolve this matter and/or are not currently in a financial position to resolve it. I remain willing to discuss an amicable and reasonable resolution, but if I do not hear from you by close of business tomorrow I will have no choice but conclude that we have reached an impasse and will act accordingly.

Rich

On Fri, Nov 16, 2018 at 4:13 PM Richard Jackson <rojackson@gmail.com> wrote:

Hi Tyson,

Thanks for meeting yesterday.

As we discussed, I do not believe that the following invoiced charges against our deposit are appropriate:

1. Any charges prior to the June 13, 2018 effective date of the contract (which was actually executed on July 1, 2018). We never discussed nor agreed to paying Evolve for any administrative or planning services, meetings or emails prior to the execution of the contract.
2. Any hourly charges related to emails, meetings, budgets, etc. As an initial matter, the contract does not contemplate that we would be charged by the hour for any administrative or planning pre-construction activities. Our understanding, based on your email of June 28, 2018, was that that Evolve would recoup a percentage of such costs via its 20% fee set forth in Section 3.1 of the contract. This understanding was reflected in the fact that Evolve never discussed the cost of, much less ever invoiced us for, any such administrative and/or planning services/activities. Finally, the contract is quite explicit that the deposit was intended to pay for materials with long lead times (hardwood floors, tile, etc.), not as a way for Evolve to recoup such charges in the event of termination.

Given that we are walking away without any of the contemplated benefits of the contract (i.e., actual renovations to our home), and are now having essentially to start over from scratch with another contractor after wasting several months, it strikes me as particularly unfair that Evolve would bill us for the full amount of pre-construction services, which it would not have collected even if it had actually performed the renovations. Indeed, we terminated the contract because Evolve was not responding in a timely manner to our requests for pre-construction services such as project status updates, obtaining permits, setting a start date, or providing an updated construction schedule.

Nevertheless, solely for the purposes of reaching an amicable resolution in this matter, we are prepared to credit Evolve 20% of its invoiced charges for such pre-construction services that were performed after the effective date of the contract. We think this is fair because had Evolve actually performed on the contract (i.e., the renovations had been completed), it would not have collected the amounts it is currently invoicing for pre-construction activities (which was neither budgeted nor billed/invoiced prior to termination of the contract), but rather 20% of the overall cost of the completed work.

Accordingly, subject to verification of your actual costs/amounts invoiced and any necessary transfers of the order for flooring, we think the following would be fair and reasonable deductions from our deposit:

1. Flooring: \$58,288.15 [please confirm whether this amount is a 50% deposit or the full amount of the order that has been paid to Carlyle; in either event, we will require a transfer of the order to us];
2. Renderings: \$7,000.00;
3. 20% of billed hours for pre-construction services (\$16,779.41) after the contract effective date: \$3,355.88.

Total Deductions from Deposit: \$68,644.03

The remainder of our deposit -- \$81,355.97 -- should be refunded immediately.

Please let me know by no later than close of business on Monday, November 19, whether Evolve accepts this proposal.

Best,

Rich

On Thu, Nov 15, 2018 at 10:45 AM Tyson Dirksen <tyson@evolve-us.com> wrote:

Hi Richard,

Please see invoice attached.

thanks,

Tyson

On Wed, Nov 14, 2018 at 3:15 PM Tyson Dirksen <tyson@evolve-us.com> wrote:

Yes, will send it over when I get back to the office.

Thanks,

Tyson Dirksen

tyson@evolve-us.com

M: [+1.650.339.3376](tel:+16503393376)



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On Nov 14, 2018, at 3:12 PM, Richard Jackson <rojackson@gmail.com> wrote:

Yes. Siteglass still works.

Can you send the accounting report please?

Rich

On Wed, Nov 14, 2018 at 3:10 PM Tyson Dirksen <tyson@evolve-us.com> wrote:

Hi Rich,

Confirmed for tomorrow at noon. Does SiteGlass still work for you?

Thanks,

Tyson Dirksen

tyson@evolve-us.com

M: [+1.650.339.3376](tel:+16503393376)



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On Nov 14, 2018, at 2:31 PM, Richard Jackson
<rojackson@gmail.com> wrote:

Hi Tyson,

Confirming our meeting/call tomorrow at noon. Which would you prefer? I can still make the drive up to SF if you'd like to meet there.

Also, please sent the accounting report today so I can review it prior to our call/meeting tomorrow.

Rich

On Tue, Nov 13, 2018 at 11:33 AM Tyson Dirksen
<tyson@evolve-us.com> wrote:

Hi Rich,

Let's do Thursday as I would like Gus to be on the call or in the meeting since he was spearheading this project.

Thanks,

Tyson Dirksen

tyson@evolve-us.com

M: [+1.650.339.3376](tel:+16503393376)



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Re: *Richard Jackson and Iris Chen v. Evolve Building, Inc.; et al.*
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EXHIBIT C

Re: *Richard Jackson and Iris Chen v. Evolve Building, Inc.; et al.*
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- (8) NEGLIGENT MISREPRESENTATION

EXHIBIT C

From: **Richard Jackson** <rojackson@gmail.com>

Date: Tue, Nov 27, 2018 at 6:02 PM

Subject: Re: Termination of Contract

To: Tyson Dirksen <tyson@evolve-us.com>

Cc: Gustavo Mendonca <gus@evolve-us.com>, iris chen <iris.s.chen@gmail.com>

Hi Tyson,

Thank you for your email. I accept your offer to refund the full amount of our \$150,000 deposit less \$8,400.00 (\$7,000 for renderings and \$1,400 [20% Evolve fee for the rendering work]) for a total refund of \$141,600.00.

When can you send the refund payment to me?

Best,

Rich

On Tue, Nov 27, 2018 at 4:16 PM Tyson Dirksen <tyson@evolve-us.com> wrote:

Hi Richard,

Thanks for your email regarding the termination of our contract.

We do want to come to an amicable resolution of this matter but this will take some time considering we have been helping you design, select materials and appliances, plan, render, schedule, budget, and quote this project for over 8 months. Hence, we have been contemplating your points over the last week.

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Error! Filename not specified.

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