

Bolster

The Smart Way to do Major Home Renovations

Rider to Build Contract

AIA A105 - 2007
With Financial Guarantee
January 25, 2017

| | | | |
|-------------------------------------|-----------------|-----------------------------------|-----------------|
| Contractor Primary Office | Name Address | Owner Primary Residence | Name Address |
|-------------------------------------|-----------------|-----------------------------------|-----------------|

This Rider is made by and between the parties to the Build Contract ("AIA-A105" or "Contract") to which this is attached. This Rider shall be deemed incorporated by reference into the Contract.

1. USE OF BOLSTER-APPROVED CONTRACT TEMPLATES

AIA Contract Fee. If the Owner elects to use an Authorized Contract Template (and any other associated documents) provided by the American Institute of Architects (The AIA), the Owner shall be responsible for paying Bolster any associated fees which shall be no more than 1.15 * the retail price of the Contract as set by The AIA.

2. PAYMENTS

Bolster's Role. Bolster's sole responsibilities and obligations to the parties as a platform shall be to (a) accurately invoice the Owner (b) collect the Owner's funds (c) report to all relevant parties that project funds have been received by Bolster (d) pay Bolster's commission from Contractor's funds at the prevailing and agreed-upon commission rate (e) release funds to the Contractor, less any applicable retention or charges, in a timely and accurate manner upon the Contractor's meeting of the conditions of the project's payment schedule and (f) accurately report the financial position of the project to all parties.

Milestone payments. Bolster will request one milestone payment in advance from the Owner and only release these funds to the Contractor upon completion that the Contractor has successfully completed that milestone. While Bolster provides the parties with a payment schedule guideline, the parties acknowledge and agree that the Contractor, and not Bolster, is responsible for calculating the payment schedule for work on the project.

Change Orders. The parties acknowledge and agree that all change orders on the project are to be actioned, approved, and processed through the Bolster Platform and that any change order administered outside of the Bolster Platform is invalid and Bolster will have no responsibility whatsoever for any consequences of this change order.

Approved Payment Methods. Unless otherwise specified by Bolster, the Owner agrees to make payments by wire transfer of payments over the terms of the invoices generated by the Bolster platform and not by credit card or check.

Indemnification. Upon receipt of proof of the Owner's funds for a milestone payment having been received through the Bolster platform, the Contractor will automatically consider themselves conditionally paid for that amount and release the Owner from any liability associated with non-payment of that exact amount and proceed to deliver the next milestone of the project.

Professional's Role. The parties acknowledge and agree that Bolster's Payment process is dependent upon accurate and timely information being provided to Bolster by the Contractor and Bolster shall have no liabilities whatsoever in connection with or pursuant to failures of the Owner or Contractor to provide accurate and timely information.

Payment Schedule. The Owner agrees to pay Bolster directly an initial payment of \$133,000 as a minimum payment under this agreement for a total of **\$368,500**. This figure is subject to change if there is an approved increase or decrease in the scope of work. Payments will be made by the Owner according to the following payment schedule:

| Milestone | Milestone Cost | Amount Available to Bolster | Retention Withheld | Payment Trigger of Milestone to Contractor | Status | |
|--|------------------|-----------------------------|--------------------|--|---------------------------------------|---------|
| Bolster Bid | \$1,000 | | \$1,000 | N/A | Bolster Bid | Paid |
| Advance Payment | \$98,000 | \$98,000 + \$35,000 = | \$133,000 | \$6,650 | Advance Payment | Pending |
| Demolition | \$35,000 | | \$19,000 | \$950 | Demolition | Pending |
| Masonry | \$19,000 | | \$36,000 | \$1,800 | Masonry | Pending |
| Rough Framing | \$36,000 | | \$38,000 | \$1,900 | Rough Framing | Pending |
| Installation of skylights | \$38,000 | | \$21,000 | \$1,050 | Installation of skylights | Pending |
| Rough Plumbing | \$21,000 | | \$37,000 | \$1,850 | Rough Plumbing | Pending |
| Rough Electrical | \$37,000 | | \$34,000 | \$1,700 | Rough Electrical | Pending |
| Installation of Pergola | \$34,000 | | \$32,500 | \$1,625 | Installation of Pergola | Pending |
| Installation of Pedestal Tiles | \$32,500 | | \$17,000 | \$850 | Installation of Pedestal Tiles | Pending |
| Installation of Bench Seat & Planters | \$17,000 | | \$0 | \$0 | Installation of Bench Seat & Planters | Pending |
| Retention Payment to Contractor | \$18,375 | | \$18,375 | (\$18,375) | Installation of Bench Seat & Planters | Pending |
| Total | \$368,500 | | \$368,500 | \$0 | | |

Third Party Fees. Alongside the above payments for the Contractor, the Owner will also be billed for other third party fees that sit outside the Contractor's design work and are currently estimated in the Contractor's Build Contract. These include but are not restricted to the following:

| Third Party | Est. Cost |
|--------------|------------|
| N/A | \$0 |
| N/A | \$0 |
| N/A | \$0 |
| N/A | \$0 |
| N/A | \$0 |
| Total | \$0 |

5. SCHEDULE

The Contractor agrees to deliver the Owner's project according to the following timetable:

| Design Stage | Est. Start Date | Time Frame (weeks) | Est. Completion Date |
|-----------------|-------------------|--------------------|----------------------|
| Bolster Bid | N/A | N/A | Completed |
| Advance Payment | February 4, 2017 | 3.0 | February 25, 2017 |
| Demolition | February 25, 2017 | 1.0 | March 4, 2017 |
| Masonry | March 4, 2017 | 3.0 | March 25, 2017 |

| | | | |
|---------------------------------------|----------------|-------------|----------------|
| Rough Framing | March 25, 2017 | 3.0 | April 15, 2017 |
| Installation of skylights | April 15, 2017 | 2.0 | April 29, 2017 |
| Rough Plumbing | April 29, 2017 | 2.0 | May 13, 2017 |
| Rough Electrical | May 13, 2017 | 2.0 | May 27, 2017 |
| Installation of Pergola | May 27, 2017 | 3.0 | June 17, 2017 |
| Installation of Pedestal Tiles | June 17, 2017 | 2.0 | July 1, 2017 |
| Installation of Bench Seat & Planters | July 1, 2017 | 1.0 | July 8, 2017 |
| Retention Payment to Contractor | July 8, 2017 | 0.0 | July 8, 2017 |
| Total | | 22.0 | |

6. FINANCIAL GUARANTEE

Definitions.

"**Bolster**" means Bolster Corporation.

"**Bolster Home Renovation Bond**" means the Bolster-approved surety bond issued by a Surety Provider (a) naming the Contractor as principal, (b) specifying a penal sum in excess of the Contract Price, and (c) covering the home renovation work governed by the Contract.

"**Contract Price**" means the fixed amount payable to Bolster by the owner as specified in the Project Contract.

"**Estimate Template**" means the form of construction estimate and contract prepared and provided by Bolster and obtained by the Owner through the Website.

"**Project**" means the home renovation work provided by the Bolster Contractor under the Project Contract.

"**Surety Provider**" means a Bolster-approved surety bond provider.

"**Website**" means the Bolster website, currently accessible at bolster.us through which the Owner and the Contractor can access information and tools relating to the Bolster Home Renovation Bond and the Project.

"**Work**" means any work performed or to be performed by the Contractor under the Project Contract.

Bolster Home Renovation Bond

Bonding. The Contractor agrees to obtain the Bolster Home Renovation Bond before the commencement of the Project.

Use of Authorized Templates

The Owner acknowledges and agrees that the Contract must be based exactly on the Bolster Estimate Template, and any modification to, amendment of, or deviation from the Bolster Estimate Template (except to accurately complete factual fields in the template) is not permitted or covered by the Bolster Home Renovation Bond unless expressly authorized in writing by the applicable Surety Provider, and any such modification, amendment or deviation not so authorized will automatically cancel, nullify and void coverage of the Contract and Project by the Bolster Home Renovation Bond.

If the Project is outside of the City of New York, then (i) the Contractor shall complete the Contract with license or registration information from the applicable local governmental authority, if any, instead of the NYC DCA, and (ii) The Owner acknowledges that the Owner must check license or registration information of the Contractor and any Subcontractors with such governmental authority, not the NYC DCA or 311. The parties further acknowledge and agree that local rules and requirements regarding licensing or registration, permits, insurance and other issues may differ from as described in the Bolster Estimate Template, and that the Contractor shall be responsible for complying with such local rules and requirements, which shall supersede any contrary descriptions in the Bolster Estimate Template.

If either party believes that changes to the Bolster Estimate Template and/or this Rider are necessary for compliance with applicable law, then such party shall inform the other party and Bolster before execution of the Contract and issuance of the Bolster Home Renovation Bond, and the parties shall work together with Bolster to modify the Bolster Estimate Template and/or this Rider to meet applicable law.

Fixed Price Only. The Owner acknowledges and agrees that the Bolster Home Renovation Bond is only applicable to projects that have a fixed price (which shall be determined by the parties and set forth in the Contract as the Contract Price), and failure to specify a fixed price will automatically cancel, nullify and void coverage of the Contract and Project by the Bolster Home Renovation Bond.

Bond Claims for Material Breaches. If the Owner believes that the Contractor is in material breach of the Contract or unable to perform under the Contract, the Owner may request Bolster to file and submit a claim to the applicable Surety Provider in compliance with such surety's claims submission and management process. The Contractor agrees that material breaches include (but are not limited to) the following examples:

- The Contractor fails to commence performance of the Work by the start date deadline specified in the project contract;
- The Contractor persistently or repeatedly refuses or fails to supply properly skilled workers or proper materials;
- The Contractor fails to make payment to Subcontractors or suppliers for labor or materials in accordance with the respective agreements between the Contractor and the Subcontractors and suppliers.

Investigation Period. The Owner agrees that before filing any lawsuit (or initiating any arbitration) against the Contractor under the Contract, the Owner shall first file and submit such claim as set forth in Section 2.4 (Bond Claims) above, and allow the Surety Provider a period of up to 60 days after receipt of a request for reporting from documentation to complete its investigation of the claim. The Owner acknowledges and agrees that failure to comply with the foregoing will automatically cancel, nullify and void coverage of the Contractor and Project by the Bolster Home Renovation Bond.

Proceeding without Coverage. The Owner may elect to continue the Project under the Project Contract without coverage by the Bolster Home Renovation Bond and Contractor shall be excused from the requirements of the Bond.

Project Management

Commencement. The Contractor shall not start any Work until (a) termination rights under (Upfront Cancellation) have expired or been waived, (b) The Contractor has received a written confirmation of bonding by Bolster or the applicable Surety Provider, and (c) The Contractor has obtained all necessary state or local building, construction or other permits.

Website. The parties agree that all communications and notices under the Contract may be made through the Website, and that all requirements to provide documents under the Contract may be satisfied by uploading the applicable documents to the document repository in the Website.

Change Orders. The Owner acknowledges and agrees that Change Orders under the Contract are not covered by the Bolster Home Renovation Bond unless (a) a Change Order is submitted to and approved by the applicable Surety Provider via the Website, and (b) The Owner pays any additional incremental fee owed to Bolster by the applicable deadline.

Proof of Payments

As a condition precedent to each progress payment by the Owner, the Contractor shall provide the Owner with executed partial contingent mechanic's lien waivers and releases from itself, its Subcontractors and suppliers relating to the Work associated with said payment.

As a condition precedent to the final payment by the Owner, the Contractor shall provide the Owner with an executed final contingent mechanic's lien waiver and releases from itself, its Subcontractors and suppliers relating to all Work under the Contract.

The Contractor shall ensure that the foregoing partial and final mechanic's waivers (i) conform to the requirements of the particular jurisdiction where the Work is performed and (ii) are effective upon issuance of the corresponding payment to the Contractor.

Notices of Completion. Upon substantial completion of all of Work (i.e. the Project is substantially complete in accordance with the Contract so the Owner can occupy or utilize the work for its intended use, with only minor punch list work remaining), the Contractor shall provide the Owner with a written "notice of substantial completion" of the Work subject to approval of the Owner. The Contractor shall complete punch list work promptly (and in any case within thirty days of such notice of substantial completion). Upon the Contractor's final completion of the Work, the Owner shall provide the Contractor with a written "notice of final completion."

Cancellation of Bond. The Owner acknowledges that any termination of the Contract will automatically cancel, nullify and void coverage of the Contract and Project by the Bolster Home Renovation Bond.

Warranties.

Materials Warranty. In addition to any warranties set forth in the Contract, the Contractor warrants to the Owner that all materials and equipment furnished shall be new unless otherwise specified. Upon substantial completion, the Contractor assigns to the Owner all warranties on materials and/or equipment as provided by the applicable manufacturers.

Workmanship Warranty. In addition to any warranties set forth in the Contract, the Contractor warrants to the Owner that all Work shall be performed in a good and workmanlike manner, of good quality, free from faults and defects and in conformance with the Contract and any associated design documents. The foregoing warranty shall be limited to defects in workmanship within the scope of work performed by the Contractor and which arise and become known and for which notice is given to the Contractor within one year from the date of substantial completion. Any defects arising after such one year are not warranted by the Contractor.

Limited Bond Coverage. The Owner acknowledges that coverage by the Bolster Home Renovation Bond of warranties hereunder, including without limitation any warranties referred to or specified in Section II (Warranties) of the Estimate or Contract, is limited to those claims for which notice is given to the Contractor by the Owner within one year from the date of substantial completion.

6. TERMINATION

Upfront Cancellation. The parties acknowledge that (a) the Owner has certain rights to terminate the Contract under state law and federal law (see "Notice of Right to Cancel under Regulation Z" attached hereto as Attachment 1), and (b) such rights to terminate may be waived by the Owner under state and federal law in the event of a bona fide emergency. In addition, the Owner may terminate the Contract within three business days (i.e. weekdays excluding federal holidays) of the date Owner countersigns the Contract.

Failure to Start Project. The Owner may terminate the Contract if Contractor fails to commence the Project by the start date deadline specified in the Contract.

Failure to Pay the Bolster Fees. The Contractor may terminate the Contract if the Owner fails to countersign or pay Bolster within 14 days of the Contractor's signing of the Contract.

Failure to Perform. A party may terminate the Contract if the other party is in material breach of the Contract and fails to cure such material breach within 30 days of written notice.

Failure to Make Payments. The Contractor may terminate the Contract for default if the Owner persistently or repeatedly fails to make payments as specified above.

Insolvency. A party may terminate the Contract upon written notice if the other party becomes the subject of a bankruptcy or similar state law proceeding or becomes insolvent or a trustee, receiver, custodian, or agent is appointed to take charge of the property of such other party or there is an assignment for the benefit of creditors.

7. GENERAL

Compliance with Laws. The Contractor will observe and abide by and perform all of its obligations under the Contract in accordance with all applicable laws, rules and regulations of all governmental authorities having jurisdiction over the Contractor, the Project and the Work.

Miscellaneous. Except with the express written consent of the other party, neither party may assign, or otherwise transfer any of its obligations hereunder without the express written consent of (a) the other party, which consent shall not be unreasonably withheld, (b) Bolster, and (c) the Surety Provider. Nothing in the Contract or this Rider shall be construed to create a contractual relationship between any persons or entities other than Contractor and owner.

Entire Agreement. The A105-2007 Contract, this Rider and Bolster's Terms of Service (found here <http://bolster.us/terms>) constitute the entire agreement of the parties with respect to the Project. No other agreements, oral or written, pertaining to the project exists between the parties, and no purported terms and conditions (e.g. legal "boilerplate") attached to any forms or documents provided by the Contractor shall be valid or binding. The Contract and this Rider may only be modified by a written agreement signed by both parties and with the express written consent of Bolster.

The terms of this Rider are hereby agreed:

| | | | | |
|-------------------|--|-------------------|--|---------------------------|
| DATE | SIGNATURE OF BOLSTER CONTRACTOR | DATE | | SIGNATURE OF OWNER |
| | | | | |
| PRINT NAME | | PRINT NAME | | |
| | | | | |

ATTACHMENT 1

Notice of Right to Cancel Under regulation Z

To: Owner ("You" or "Owner")

From: _____ ("We" or "Contractor")

Re: Your right to rescind the contract dated ____ / ____ / ____

You are entering into a transaction that may result in a security interest being placed on your home. You have a legal right under federal law to "rescind" or cancel this transaction, without cost, until midnight of the third business day after whichever of the following events occurs last (such date, the "Cancellation Deadline"):

- (1) The date of the transaction, which is ____ / ____ / ____
- (2) The date you receive your "truth in lending" disclosures, if applicable
- (3) The date you receive this notice of your right of cancellation

A "business day" is any calendar day except Sundays and the legal public holidays specified in 5 U.S.C. 6103(a), such as New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

The Cancellation Deadline is midnight, ____ / ____ / ____

If you cancel this transaction, the security interest (if any) becomes void. Within 20 calendar days after we receive your notice, we will take the steps necessary to reflect the termination of the security interest (if any), and we will return any money or property we have given any third party in connection with this transaction.

You may keep any money or property we have given you until we have taken the steps mentioned above, but you must then return the money or property to us. If it is impracticable or inequitable for you to return the property, you may tender its reasonable value. You may offer to return the property at your home or at the location of the project. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your tender, you may keep it without further obligation.

If you decide to rescind this transaction, you may do so by notifying us in writing at: **119 West 24th Street, #5016, New York, NY, 10011.**

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights. If you choose to rescind by mail, you must send the notice no later than midnight of the Rescission Deadline. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than midnight of the Rescission Deadline.

I WISH TO CANCEL.

Signature: _____ Date: ____/____/____

Sample