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CONSTRUCTION AGREEMENT

8514 Glenhaven St — Duplex ADU New Construction

Project Address	8514 Glenhaven St, San Diego, CA
Owner	Mark Doty
Project Type	R3 Multi-Family — Duplex ADU New Construction
Units	2
Square Feet	1,586 sq ft
Estimated Duration	4–5 Months
Contract Price	$513,560
Price per Sq Ft	$297
Plan Set Date	October 16, 2025
Prepared Date	May 11, 2026
Prepared By	James Heinzman, CEO — JH Coastal Contracting LLC

The following Exhibits are incorporated into and made part of this Agreement:

- Exhibit A — Description of the Project Site
- Exhibit B — Design Documents
- Exhibit C — Construction and Fee Schedule
- Exhibit D — Initial Cost Estimate

SCOPE OF WORK

This Scope of Work covers a new Duplex ADU structure (1,586 sq ft, R-3 Occupancy) at 8514 Glenhaven St, San Diego, CA — Unit 1 (#8516 ADU by Right, 795 sq ft) and Unit 2 (#8518 Affordable ADU Moderate, 791 sq ft) with Level 2 landing (16 sq ft) and deck (127 sq ft). Work is based on the Plan Set dated October 16, 2025. Any work not explicitly described in this document or in subsequent written change orders is considered outside the scope.

01 — General Conditions & Project Management

- Provide dumpster and/or dump trailer for construction debris; dump fees included.
- Provide portable toilet on site for the duration of construction.
- Provide temporary construction fencing as required for safety and site security.
- Daily site clean-up and ongoing maintenance of the work area.
- Coordinate with utility providers through to energization. Permit and utility fees are excluded.
- Scope & sequencing of all trades; long-lead procurement management.
- Quality control field checks at each phase; client communication via Buildertrend.
- Prepare written change orders for any scope changes; obtain owner approval before proceeding.
- Coordinate all City of San Diego inspections, punch lists, and project closeout.
- James Heinzman is personally present on every project — direct GC access throughout construction.

02 — Design & Permitting

- Owner to provide approved plans and active City of San Diego building permit prior to commencement. Permit fees are Owner's responsibility per Exhibit A.
- All trade permits (electrical, plumbing, mechanical) will be pulled by JH Coastal or the applicable licensed subcontractor.
- Special Inspection services and HERS (Home Energy Rating System) testing and documentation required by the City and Title 24 are included.

03 — Demolition & Sitework

This is a new construction project on a vacant lot. Standard sitework is included as described below. Demolition of existing structures, slabs, or improvements beyond normal site preparation is excluded and will be addressed by written change order if applicable.

- Mobilize equipment and establish site logistics including temporary fencing, portable toilet, and dumpster.
- Rough grade and prepare the site for construction as required per plan.
- Excavate and trench for new underground plumbing and utilities as required per plan.
- Cap and/or connect all affected mechanical, electrical, and plumbing utilities as required.
- Remove excavation and construction debris to on-site dumpster or trailer.

**No existing slab or structure assumed. If unforeseen below-grade improvements, buried debris, or existing concrete are encountered, removal and disposal will be addressed via written change order.*

04 — Concrete & Foundation

- Provide and install new structural slab and footings per structural plans, including all required subgrade preparation, compaction, and vapor barrier.
- Includes rebar, anchor bolts, hold-down hardware, and all related structural hardware per engineer's specifications.

**No existing slab assumed. If unforeseen below-grade obstructions are encountered, additional costs will be addressed via written change order.*

05 — Framing

- Provide and install interior wood stud frame walls per plan.
- Includes blocking, sheathing, ceiling framing, floor joists, rafters, and all related hardware per structural documents.
- All framing performed by a licensed framing contractor in accordance with approved structural documents.

06 — Electrical

- Provide and install new electrical panel / sub-panel for the unit.
- Provide and install rough circuitry for all appliances and fixtures per plans.
- Provide and install switches and outlets with AFCI/GFCI protection per plans and code.
- Provide and install smoke and carbon monoxide detectors per code.
- Provide and install recessed LED lights, exhaust fans, vanity lights, and exterior light fixtures per plans.
- SDGE work order coordination and service connection are available as an add alternate ($1,500 per unit). SDGE scheduling timelines are outside JH Coastal's control and may affect the overall project schedule.

07 — Plumbing

- Rough-in drain, waste, vent (DWV), and water supply lines for all fixtures per plans.
- Interior supply lines to be PEX.
- Utility connections (water service, sewer service) included per Exhibit D.
- Relocate existing water heater to new code-compliant location per plan. Relocation includes all associated supply, drain, and vent reconnections.
- Provide and install new hybrid electric tank water heater with expansion tank, pad, and enclosure (Rheem or approved equal) as required per plan.
- Provide and install kitchen sink with faucet and strainer, garbage disposal, bathroom sink with faucet, toilet, and shower faucet per plan.
- Provide and install Redgard vapor seal moisture barrier at all wet areas (shower pan, tub surround) prior to tile installation.
- Cap and/or relocate all plumbing utilities in demolition areas as required.

**No gas work is included.*

08 — HVAC

- Provide and install mini-split heat pump system per plans.
- Provide and install ventilation ducting for bathroom/IAQ exhaust fans and kitchen range hood vent per plan.
- Includes HERS (Home Energy Rating System) testing and documentation as required by Title 24.

09 — Roofing

- Provide and install new roof system (shingles) per plans, including all underlayment, sheathing, and associated hardware.
- Provide and install all flashing, waterproofing, and weatherproofing at all roof penetrations, valleys, and eaves per plans and code.
- Coordinate roof penetrations for exhaust fans, plumbing vents, and mechanical equipment as required per plan.

**Roofing is included in this contract. Any deviations from the plan set requiring additional roofing materials or labor will be addressed by written change order.*

10 — Exterior Finishes

- Provide and install housewrap/waterproofing at any new or modified exterior wall surfaces.
- Patch and repair existing stucco at all areas affected by new openings, utility penetrations, or modifications. Stucco patch will be blended and textured to match existing stucco finish as closely as reasonably possible.

**A perfect color or texture match to aged existing stucco cannot be guaranteed. JH Coastal will take reasonable measures to match the existing texture and finish. Gutters and new exterior trim hardware are excluded from this contract.*

**Stucco is a cementitious material. Hairline fissures may occur due to natural settlement or curing and are not covered by warranty.*

11 — Insulation

- Caulk and seal all exterior doors, windows, penetrations, and sill plates to meet Title 24 air infiltration requirements.
- Provide and install wall, floor, and ceiling/roof insulation per plans and Title 24 compliance.
- Includes foam fire blocking at sill plates and between floors where required by code.

12 — Windows & Doors

- Provide and install dual-pane white vinyl windows per plans. All units to be energy-compliant per Title 24.
- Provide and install exterior entry door (front door) with threshold, weatherstripping, and hardware.
- Provide and install exterior and interior doors (pre-hung), closet doors, and all interior door hardware sets.

13 — Drywall

- Provide and install drywall at all interior walls and ceilings per plans.
- Square metal corner bead at all outside drywall corners.
- Tape, float, and texture all drywall surfaces ready for paint. Light skip trowel texture finish is standard.

14 — Painting

- Prepare and paint all new interior drywall surfaces, doors, and trim.
- One (1) color for walls, one (1) for ceilings, one (1) for trim/doors. Final color selections by Owner.
- Paint brand: Behr Ultra line or approved equal.
- Prepare and paint new exterior siding/fascia. Paint brand: Sherwin-Williams Promar 400 or approved equal.

15 — Cabinets & Countertops

- Provide and install kitchen cabinets. Soft-close hinges and drawer slides standard.
- Provide and install prefabricated quartz countertops with sink cutout at kitchen.

**Cabinet configuration and layout to be finalized during design coordination phase prior to ordering. Final design subject to Owner approval.*

16 — Flooring & Baseboards

- Provide and install vinyl plank flooring throughout per plans (Trinity or approved equal, with included moisture barrier).
- Provide and install standard square baseboards up to 5" tall at all finished interior spaces.

17 — Interior Trim & Hardware

- Provide and install MDF door casing at all interior doors.
- Provide and install vanity mirror, towel bars, toilet paper holder, and robe hooks at bathroom.
- Provide and install 2" white cordless faux wood blinds throughout.

18 — Appliances

An appliance allowance of $5,406 per unit ($10,812 total for 2 units) is available as an add alternate and is not included in the base contract price. Appliances covered include laundry, refrigerator, microwave, dishwasher, and range.

- If Owner selects appliances within this allowance, there is no additional cost. If selections exceed the allowance, Owner pays only the difference via signed change order.
- JH Coastal will coordinate procurement and installation. Specific selections to be finalized during the design coordination phase prior to ordering.
- JH Coastal will provide all required rough-in connections (electrical circuits, plumbing stub-outs) for all appliances per plans.

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**Appliances above the allowance amount will be priced via written change order showing (a) the allowance credit, (b) cost of the upgraded item, and (c) the net difference. No orders placed without Owner approval.*

19 — Ceramic & Bathroom Tile

- Provide and install floor tile, wall tile, shower pan tile, and all related setting materials and grout per design selections.
- Includes Schluter transition strips and quartz shower dam per plans.

20 — Soundproofing & Acoustic Assemblies

Given the shared-wall context, the following soundproofing measures are included to reduce sound transmission between the unit and adjacent occupied spaces:

- Provide and install Z-clip (resilient channel) framing system at shared wall and ceiling assemblies to decouple drywall from structure.
- Provide and install mineral wool / stone wool acoustic batt insulation (Rockwool Safe'n'Sound or approved equal) within all shared wall cavities and ceiling assemblies.
- Provide and install acoustic sealant (acoustical caulk) at all penetrations, outlet boxes, pipe penetrations, and perimeter gaps in shared assemblies.
- Provide and install resilient sound isolation clips at ceiling joist connections where feasible per field conditions.
- All shared wall and ceiling assemblies to be drywalled with 5/8" Type X drywall (double-layer where specified on plans).

**Soundproofing performance is dependent on correct installation and the elimination of all flanking paths. JH Coastal will take reasonable measures to achieve the specified assemblies; however, specific STC or IIC ratings are not guaranteed unless confirmed by a third-party acoustic consultant.*

EXCLUSIONS

The following items are NOT included in this contract unless added by written change order:

- Anything not specifically listed in this Scope of Work.
- Soils testing and geotechnical reports.
- Permit, plan check, and inspection fees (City of San Diego).
- Demolition of existing structures, slabs, or site improvements beyond standard new construction sitework (addressed as change orders if applicable).
- Landscaping, irrigation, or hardscaping.
- Asbestos or lead paint remediation.
- Solar panel design, permitting, or installation.
- Fire sprinkler system (bid if requested).
- Any work required by City inspector beyond the approved plan set (addressed as change orders).
- Separate water meter installation.
- Any ROW (Right of Way) work.

**All pricing is based on the Plan Set dated October 16, 2025 as referenced in Exhibit B. If approved construction documents differ materially, pricing will be reviewed before execution.*

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EXHIBIT A — DESCRIPTION OF THE PROJECT SITE

Project Address	8514 Glenhaven St, San Diego, CA
Owner	Mark Doty
Project Type	R3 Multi-Family — Duplex ADU New Construction
Units	2
Building Sq Ft	1,586 sq ft
Estimated Duration	4–5 Months
Contract Price	$513,560

Project Scope: Construction of a new Duplex ADU structure (1,586 sq ft, R-3 Occupancy) at 8514 Glenhaven St, San Diego, CA. Unit 1 (#8516 — ADU by Right, 795 sq ft) at Level 1; Unit 2 (#8518 — Affordable ADU Moderate, 791 sq ft) at Level 2, including Level 2 landing (16 sq ft) and deck (127 sq ft). Includes full site preparation, utility connections, structural slab and footings, rough and finish framing, HVAC, electrical, plumbing, roofing, exterior and interior finishes, and all associated trades per the approved plan set. Exterior structures (handrail, deck waterproofing) included. Appliances, SDGE work orders, and fire sprinkler are available as add alternates.

EXHIBIT B — DESIGN DOCUMENTS

Document	Plan Set Dated October 16, 2025

The Design Documents listed above form the basis of the Contract Documents and this Scope of Work. Any material variation from these documents will be reflected in Record Drawings and, if applicable, addressed through a written change order. Owner will indemnify, defend, and hold harmless JH Coastal Contracting LLC and its Subcontractors against all claims, damages, liabilities, losses, and expenses arising from or related to the Design Documents.

EXHIBIT C — CONSTRUCTION AND FEE SCHEDULE

Progress payments are due upon reaching the applicable construction milestone. Payments shall be made in immediately available US funds by certified or cashier's check, wire transfer, or other method acceptable to Contractor. Unpaid invoices bear interest at 18% per annum from the date due.

#	Payment Milestone	Trigger / Due Date	Amount
1	Deposit	Upon Signing of Contract	$1,000
2	Mobilization / Site Work / Demo	Prior to first date onsite	$46,620
3	Underground Plumbing & Foundation Forms Set	Passing City Inspection of Underground Plumbing	$69,930
4	Framing Complete	Passing City Inspection of Rough Framing	$102,712
5	MEP In-Wall Rough-In	Passing City Inspection of Mechanical, Electrical & Plumbing Rough-In	$68,354
6	Drywall Complete	Passing City Inspection of Insulation & Drywall	$102,712

7	Flooring and Trim	Once Flooring, Trim, Doors, and Tile are Complete	$72,232
8	Pass Final Inspection	Upon Passing Final Inspection	$50,000
TOTAL			**$513,560**

**The schedule above is an estimate only. JH Coastal Contracting LLC is entitled to adjust the schedule for Excused Delays, Change Orders, and other adjustments as defined in this Agreement. Actual billed amounts will be determined per progress billing based on values in Exhibit D.*

EXHIBIT D — INITIAL COST ESTIMATE

Project costs estimated on Plan Set dated October 16, 2025.

Description	Total
Preparation (Demo, Trenching, Mobilization, Portable Toilets)	$8,833
Utility Connections (Electrical Panel, Water Service, Sewer Service)	$30,660
Trash / Hauling	$6,163
Rough Structure (Structural Slab, Footings)	$61,627
Rough Framing (Floor Joists, Rafters, Ceiling Joists, Walls, Sheathing)	$82,170
HVAC (Mini Splits, Ventilation)	$22,134
Roof (Shingles)	$15,407
Rough Plumbing (In-Wall Plumbing)	$20,542
Rough Electrical (In-Wall Electrical)	$25,678
Windows & Doors (Windows, Front Door, Exterior & Interior Doors, Closet Doors)	$20,542
Insulation (Roof/Ceiling, Wall)	$15,407
Drywall (Board & Smooth Texture)	$25,678
Exterior Finishes (Stucco, Gutters, Exterior Trim Hardware)	$25,678
Interior Trim (Casing, Baseboard)	$7,703
Paint (Interior)	$15,407
Flooring (Vinyl Plank)	$10,271
Ceramic Tile (Interior Tile)	$20,542
Cabinets (Kitchen Cabinets)	$20,542
Countertops (Kitchen Countertops)	$10,271
Finish Plumbing (Install Finish Fixtures)	$17,317
Plumbing Fixtures (Water Heaters)	$10,271
Finish Electrical (Install Finish Electrical & Fixtures)	$10,271
Exterior Structures (Handrail, Deck Waterproofing)	$30,444
TOTAL CONTRACT PRICE	**$513,560**

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Add Alternates & Excluded Items

Item	Notes	Amount
Appliances	Add Alternate — $5,406 per unit	$10,812
SDGE Work Orders & Coordination	Add Alternate — $1,500 per unit; timelines TBD	$3,000
Fire Sprinkler	Bid if requested	TBD
Solar Panels	Bid if requested	TBD
ROW Work	Bid if requested	TBD
Separate Water Meter	Excluded from base scope	—
Changes by City Inspector	Addressed as change orders if applicable	—

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CONTRACT TERMS

1. Contract Documents

The Contractor shall perform the Work in accordance with the Contract Documents, consisting of: (a) this Agreement and the Exhibits; (b) Design Documents; (c) Record Drawings; and, if applicable, (d) Change Orders.

2. The Work

Contractor will furnish the labor, material, equipment, tools, and construction services necessary to construct the improvements described in the Contract Documents. All materials incorporated into the Work will be new unless otherwise required by the Contract Documents.

3. Time of Completion

Contractor will commence the Work following issuance of the general building permit. The schedule attached as Exhibit C is an estimate only. Contractor is entitled to adjust the schedule for Excused Delays, Change Orders, and other permitted adjustments. Excused Delays include acts of Owner, permitting delays, material shortages, weather, unforeseen site conditions, and other events beyond Contractor's reasonable control.

4. Compensation

Owner will pay Contractor the Contract Sum payable in progress payments per Exhibit C. Payments shall be made by certified/cashier's check, wire transfer, or other method acceptable to Contractor. Unpaid invoices bear interest at 18% per annum from the date due. Title to materials covered by a Progress Payment passes to Owner upon Contractor's receipt of payment in full.

5. Owner's Obligations

6. Changes in the Work

Owner may order changes within the general scope of the Work; Contract Sum and Contract Time will be adjusted accordingly. No out-of-scope work is performed without a written, signed Change Order. If Contractor encounters an Excused Delay, additional costs become part of the Cost of the Work.

7. Warranty

Contractor warrants that the Work will substantially conform to the Design Documents and be free of defects for one (1) year after Substantial Completion. The warranty does not apply if Owner has not paid all amounts owed, the Work is misused or improperly maintained, or access for inspection is denied.

8. Indemnity

Contractor will indemnify and hold harmless Owner against third-party claims arising from Contractor's negligent acts or omissions in performance of the Work, limited to bodily injury, death, or tangible property damage. Owner will notify Contractor in writing within ten (10) days of any claim.

9. Insurance

Prior to commencing Work, Contractor will maintain Commercial General Liability insurance with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate (per project). Owner will maintain builder's risk insurance naming Owner, Contractor, and Subcontractors as insureds, to the full insurable replacement value of the Work.

10. Hazardous Substances

Contractor is not liable for the existence of Hazardous Substances at the Project Site. If encountered, Contractor may suspend Work and notify Owner immediately. Owner will retain a licensed consultant to

remediate in accordance with applicable Environmental Laws. Contract Time and Contract Sum will be adjusted accordingly.

11. Dispute Resolution

This Agreement is governed by the laws of the State of California. All Claims shall be resolved by arbitration under the Federal Arbitration Act or California Arbitration Act. Claims over $200,000 require mediation before the AAA before proceeding to arbitration. The substantially prevailing party shall be entitled to an award of attorneys' fees, mediator fees, and expert witness fees.

12. Termination

If Owner fails to pay any portion of the Contract Sum within seven (7) days of the due date, materially breaches the Agreement and fails to cure within seven (7) business days of written notice, or files for bankruptcy, Contractor may suspend or terminate. Upon termination, Owner immediately owes all costs incurred, unpaid fees, demobilization costs, and any other losses sustained by Contractor.

- Cooperate in good faith and not interfere with the Work or Schedule.
- Provide all required approvals, responses, and information necessary for the Work.
- Obtain and maintain all permits not otherwise assigned to Contractor.
- Provide Contractor with full access to the Project Site for the duration of the Work.
- Represent that adequate funds or financing are available to pay the Contract Sum as due.

13. Miscellaneous

- This Agreement may not be assigned by either party without the prior written consent of the other.
- Any amendments must be in writing and signed by both Owner and Contractor.
- If any provision is held invalid, the remainder shall be enforced to the greatest extent permitted by law.
- Contractor is an independent contractor and is not an employee, partner, or joint venturer of Owner.
- This Agreement constitutes the entire agreement between the parties. All prior proposals and negotiations have no force or effect.

SIGNATURES

OWNER	**JH COASTAL CONTRACTING LLC**
Mark Doty	James Heinzman, CEO
Date: _____	**Date:** _____