

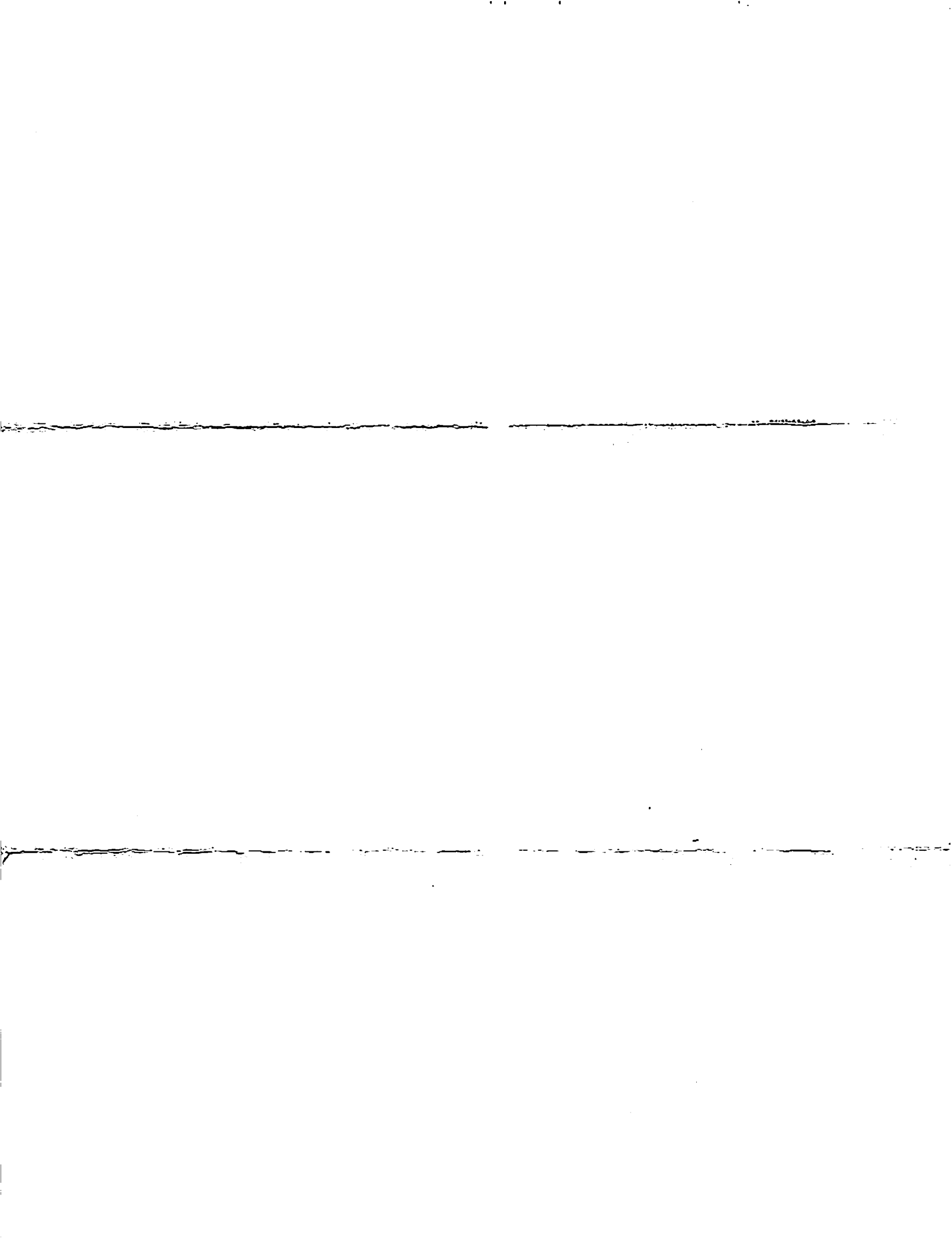
Mr. Thomas Sammons
CC: Anita Lee & Eric Whetzel
502 N Plum Grove Rd
Palatine, IL 60067

I am writing in response to your letter dated January 6, 2016 and

I would like to help clarify a few items in your letter with regards to timing. We first signed our design build agreement with Eric & Anita on September 5, 2014. At that time, there was no design to start as they were searching for a lot. We agreed to look at their lot options to help them know the pros and cons of each lot they were considering. From that point until December 10, 2014, when they closed on their selected lot, we reviewed lot selections as well as surveys and soil borings for their selected Coolidge Avenue property to assist them in the feasibility for building on that lot. We reached out early Nov 2015 once plans had been submitted for initial plan review to city, and priced. We met with Eric and Anita on November 20, 2015 to review initial pricing on plans, and notes from Palatine's plan review. That was 11 months after they closed on the property, and 10 months after our initial design discussion, which took place January 30, 2015. We tell our clients and prospects that the process of design and construction can take anywhere from 12 – 18 months. The types of homes we build and Eric and Anita wanted do take longer in design and to coordinate so that construction timelines can be streamlined. Although the design process took longer than we or Eric and Anita would have liked, we still would have and are able to finish the building of their home very close to the 18 month period.

When we had our pricing presentation meeting, our responsibility was letting our clients know where the house stands price wise with the design and features we had discussed throughout the design process. We had mentioned two large savings opportunities that would be available just to notify Eric & Anita there are ways to reduce costs. I did ask in the meeting what their feeling was on the presented budget. Anita answered stating that there was "no reason to panic." Eric and Anita then turned the conversation away from the specs and pricing to some ideas of samples Eric had brought in for finishes such as trim, closet rails, and coat hooks.

I had reached out after our meeting to offering a call or another meeting to follow up on anything they may have had questions or to "see where they needed to go budget wise to be comfortable". They had sent an email to me asking follow ups and budget and it became apparent they needed to reduce cost to make it work. I got to work looking at places to save money without sacrificing what they came to us for which was an energy efficient, healthy, and quality home. I significantly reduced our margin on the project to help them out, went to all my subs asking for a favor to reduce their cost to help make the project feasible, and looked at material substitutions in order to reduce cost. I was successful in this attempt and notified them I would like to meet before they finalize any decision to walk away from the project, I had let them know I had figured out a way to get the project cost down to



\$403,000. They agreed to meet, and I brought the pricing spreadsheets. We had a 30 minute discussion, and they did not want to look at the specs related to the cost saving opportunities that I had spent a lot of time refining, along with cutting our construction fee. I sent a follow up email thanking them for their time, and let them know I would be there for them when they wanted to resume discussions after they had digested the latest price. I did not hear back and emailed them the first week in January after their holiday break. I myself continued working on their pricing to see where else I could make changes without sacrificing the things they cared about to bring cost further down. We had notified Eric and Anita during design that there were some unanticipated cost increases in that the civil engineer could not find sewer and water stubs onsite even though it was a developed lot. Also there would be the need for a retaining wall, and the city was also requested a public walk (even though there is not one there yet or on adjacent properties, and the additional of parkway trees. Through my working on the project through the holidays I notified them I was able to get the price into the low \$390's, and wanted to see if they were interested to review what the specs would be to get there. I assured them we still were meeting the design and performance they wanted without major sacrifices by them including the volume of the house they really liked. I did not give up on them or the project, and did not offer a take it or leave it scenario. I told them several times we can work with them to get them within a comfort range they would feel better about, once we were notified they were uncomfortable with the cost presented at the 11-20-15 meeting. I had also notified them that we could be ready to start construction by time their loan was ready and be ready for early spring / late winter start. I also offered a tight construction schedule with financial penalty to EHB if we did not finish home in time.

Even though Eric and Anita have put the process on hold, we have continued to work on the project for them to be sure if they are ready to resume we can turn everything around very quickly for them. If they decide not to build, that was not the best use of our time, however, I would rather have done that than have them come back wanting to resume and we had not done anything to further the project and budget with the past couple months. We are committed to helping them get the home they want and a price they are comfortable with.

As the design builder, our first responsibility was giving them the price for the home we designed closely in conjunction with them and their feedback. We did that, and offered 2 large changes to save large amounts of money and mentioned there were also little changes to make smaller impacts on price. In our past experience at this meeting, if a client needs to adjust price, they let us know that and there is a value engineering process to refine things. As stated earlier, instead of the conversation at that meeting diving into the details of the specs and the need to reduce cost, the conversation was changed to finishes and details.

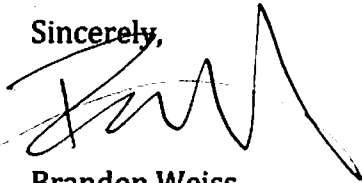
This process did not go as smoothly as any of us would have liked, and we did not execute everything perfectly. However, we have met the obligations of our agreement. I still do want to work with Anita and Eric on their home, and can give

them the home they want. We were not perfect in the process, but at the same time were not given the opportunity to discuss any value engineering process with them. This is a normal process for any other custom design process we have been associated with, and that any architect or builder would say most projects go through.

To ease any hard feelings we will release the commitment Eric and Anita made to us that we would build any home they built on their lot within the next 2 years. However, we can not offer a refund for design work, as we spent much more time on this project than the total fee covered as is, not even including my time. We also can not release our copyright on the plans as we have spent a lot of time on the design of this home as well as the details and site orientation / coordination. We are still happy to build a home for Eric and Anita if they would like.

I hope this further clarifies the timing and budget concerns, as well as options for resolution or continuation of the process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon Weiss', written over a horizontal line.

Brandon Weiss