

MEMORANDUM

To: Utah Residence Lien Recovery Fund Advisory Board
From: Lien Recovery Fund Staff
Date: November 5, 2013
Subject: **Information Packet for Upcoming Board Meeting**

Enclosed please find the application reports and other documents for the upcoming Board meeting. That meeting is scheduled to begin at **8:15 am** on **Wednesday, November 13, 2013** in the **North Conference Room**, on the first floor of the Heber M. Wells Building - **160 East 300 South, Salt Lake City, Utah**. We anticipate the meeting will last until 9:30 a.m.

We appreciate your service on the Board - see you at the meeting.

Agenda

Utah Residence Lien Recovery Fund Advisory Board

November 13, 2013 8:15 am
North Conference Room, First Floor
Heber M. Wells Building
160 E. 300 S. Salt Lake City, Utah

This agenda is subject to change up to 24 hours prior to the meeting.

ADMINISTRATIVE BUSINESS

1. Review and approve minutes from previous board meeting
2. Travel reimbursement

HOMEOWNER APPLICATIONS APPROVED PRIOR TO BOARD MEETING

- a) Wayne & Cory Wheeler v Israelsen Construction Inc

HOMEOWNER AFFIDAVIT OF COMPLIANCE APPROVED PRIOR TO BOARD MEETING

- a) Jennifer Golden v C-K & J's Concrete
- b) Lori Martinez v C-K & J's Concrete
- c) Brent Wood v C-K & J's Concrete

HOMEOWNER APPLICATIONS FOR REVIEW

1. Recommended for Approval and Explanation Required
 - a) CAFRIC001 Edward & Morissa Rich v Caffall Tile & Supply Co Inc- Dane
 - b) SIEWIL001 Donald & Kelli Wilson v Sierra Properties LLC - Dane
3. Recommended for Denial and Explanation Required
 - a) EDGKUN001 Burt Kunzler v MEHI Inc dba Edge Pro Concrete - Dane
 - b) STECHA001 S Paul Chambers v Steven McBride - Dane

CLAIMS FOR REVIEW

1. Recommended for Approval and No Explanation Required
 - a) LRF-2013-0821-01 Thomas Pipeline Inc v SMA Enterprises Inc dba Elite Builder Group (Sylva) - Dane
 - b) LRF-2013-0827-01 Air Design Heating & Cooling LLC v SMA Enterprises Inc dba Elite Builder Group (Stevens) - Dane

- c) LRF-2013-0827-02 - Air Design Heating & Cooling LLC v SMA Enterprises Inc dba Elite Builder Group (Anderson) - Dane
- d) LRF-2013-0827-03 Air Design Heating & Cooling LLC v SMA Enterprises Inc dba Elite Builder Group (Hanna) - Dane
- e) LRF-2013-0827-04 Air Design Heating & Cooling LLC v SMA Enterprises Inc dba Elite Builder Group (Humphries) - Dane
- f) LRF-2013-0827-05 Air Design Heating & Cooling LLC v SMA Enterprises Inc dba Elite Builder Group (High) - Dane
- g) LRF-2013-0926-01 Thomas Pipeline inc v SMA Enterprises Inc dba Elite Builder Group (Smith) - Dane

NEXT SCHEDULED MEETING:

December 11, 2013

Note: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify, Dave Taylor, ADA Coordinator, at least three working days prior to the meeting. Division of Occupational & Professional Licensing, 160 East 300 South, Salt Lake City, Utah 84115, 801-530-6628 or toll-free in Utah only 866-275-3675

MINUTES

**UTAH
RESIDENCE LIEN RECOVERY FUND
ADVISORY BOARD
MEETING**

**September 11, 2013
North Conference Room– 8:15 a.m.
Heber Wells Building
Salt Lake City, UT 84111**

CONVENED: 8:21

ADJOURNED : 9:05

Board Members Present:

Bradley Stevens, Chair
Calvin Bowen
Douglas Darrington
Calvin Bowen
Jeff Park
Dave McArthur

Board Members Absent:

Patty Fullmer, Vice Chair

DOPL Staff Present:

Program Manager, Dane Ishihara
Fund Secretary, Tracy Naff
AAG, Tony Patterson

Guests:

Julie Huot, J2 Design Group
Scott Poulson, J2 Design Group
Brett Smith, homeowner

TOPICS FOR DISCUSSION

DECISIONS AND RECOMMENDATIONS

ADMINISTRATIVE BUSINESS:

Review and approve minutes from the June 12, 2013 Board meeting.

Mr Darrington made a motion to approve the June 12, 2013 Board minutes. Mr Richards seconded the motion. Motion passed by unanimous vote.

Elect Board Chair

Mr Darrington made a motion to re-elect Bradley Stevens as the Board Chair and Patty Fullmer as the Vice Chair. Mr Richards seconded the motion. Motion was unanimous.

Homeowner applications for Review

1. Board Review requested
 - a) SMASMI002 Brett & Melanie Smith v SMA Enterprises Inc dba Elite Builder Group. Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Bowen seconded the motion. Motion passed by unanimous vote.
2. Recommended for Approval & Explanation Required
 - a) JEAASH001 Peter Ashdown v Jean Flesher dba Jean Flesher Construction – Mr Park recused himself. Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.

2. Recommended for Denial & Explanation Required
 - a) CANAND001 Roger Anderson v Canyon Plumbing & Heating Inc - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to deny the application. Mr Park seconded the motion. Motion passed by unanimous vote
 - b) SMACAL001 Derek Caldwell v SMA Enterprises Inc dba Elite Builder Group - Mr Ishihara gave a brief explanation of the application. Mr Bowen made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
 - c) SPETOL001 Kuka Toleafoa v Spectrum Development Corporation - Mr Ishihara gave a brief explanation of the application. Mr Darrington made a motion to deny the application. Mr Bowen seconded the motion. Motion passed by unanimous vote

Claims for review

1. Recommended for Denial & Explanation Required
 - a) LRF-2012-1019-01 Allred's Inc v Jakes Heating & Air Conditioning Inc (Smith) - Mr Ishihara gave a brief explanation of the application. Tony Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
 - b) LRF-2012-1019-03 Allred's Inc v Jake's Heating & Air Conditioning Inc (Mortimer) - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
 - c) LRF-2012-1019-04 Allred's Inc v Jake's Heating & Air Conditioning Inc (Baldwin) - Mr Ishihara gave a brief

explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.

- d) LRF-2012-1031-05 Allred's Inc v Jake's Heating & Air Conditioning Inc (Habitat for Humanity) - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- e) LRF-2012-1031-06 Allred's Inc v Jake's Heating & Air Conditioning Inc (Hall) - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Ricards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- f) LRF-2012-1031-07 Allred's Inc v Jake's Heating & Air Conditioning Inc (Schumann) - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- g) LRF-2012-1019-08 Allred's Inc v Jake's Heating & Air Conditioning Inc - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- h) LRF-2012-1031-09 Allred's Inc v Jake's Heating & Air Conditioning Inc - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- i) LRF-2012-1031-11 Allred's Inc v Jake's Heating & Air Conditioning Inc - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the applicaton. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- j) LRF-2012-1031-13 Allred's Inc v Jake's Heating & Air Conditioning Inc - Mr Ishihara gave a brief explanation of the application. Mr Patterson defined written contract. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.

2. Recommended for Denial & Explanation Required

- a) LRF-2013-0314-01 J2 Design Group Inc v SMA Enterprises Inc dba Elite Builder Group (Stevens) - Mr Ishihara gave a brief explanation of the application. Mr

Patterson defined differences in individual and corporate bankruptcy. Mr Darrington made a motion to deny the application. Mr Richards seconded the motion. Motion passed by unanimous vote.

- b) LRF-2013-0419-01 Geneva Rock Products Inc v DLC Expert Flooring Inc (Harkey) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to deny the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.

3. Recommended for Approval & No Explanation Required

- a) LRF-2013-0220-01 Staker & Parson Companies v Jean Flesher dba Jean Flesher Construction (Bills) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- b) LRF-2013-0228-01 Metro Ready Mix LLC v SMA Enterprises Inc dba Elite Builder Group (Dickinson) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- c) LRF-2013-0503-01 Metro Ready Mix LLC v SMA Enterprises Inc dba Elite Builder Group (Stevens) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- d) LRF-2013-0521-01 BMC West Corporation v SMA Enterprises Inc dba Elite Builders Group (Owens) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- e) LRF-2013-0521-02 BMC West Corporation v SMA Enterprises Inc dba Elite Builder Group (Clark) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- f) LRF-2013-0521-04 BMC West Corporation v SMA Enterprises Inc dba Elite Builder Group (Peterman) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.
- g) LRF-2013-0521-05 BMC West Corporation v SMA Enterprises Inc dba Elite Builder Group (Anderson) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by

unanimous vote.
h) LRF-2013-0521-06 BMC West Corporation v SMA Enterprises Inc dba Elite Builder Group (Chamberlin) - Mr Ishihara gave a brief explanation of the application. Mr Richards made a motion to approve the application. Mr Darrington seconded the motion. Motion passed by unanimous vote.

ADJOURN:

Meeting adjourned 9:05

Note: These minutes are not intended to be a verbatim transcript but are intended to record the significant features of the business conducted in this meeting. Discussed items are not necessarily shown in the chronological order they occurred.

Date Approved

(ss) Brad Stevens
Chairperson, Residence Lien Recovery Fund Advisory Board

Date Approved

(ss) Dane Ishihara
Program Coordinator, Division of Occupational & Professional Licensing

Claim Disposition Report

November 5, 2013

Processing Status	Active Pending Action By	Disposition	Number of Claims	
Active	Board		7	0.2%
Active	LRF		11	0.4%
Closed		Denied	572	20.4%
Closed		Dismissed	242	8.6%
Closed		Paid	1,969	70.2%
Prolonged			4	0.1%
Total Claims Filed			2,805	

Applications for Certificate of Compliance Disposition Report

November 5, 2013

Processing Status	Active Pending Action By	Disposition	Number of Apps	
Active	Board		4	0.2%
Active	Homeowner		1	0.1%
Active	LRF		49	2.7%
Closed		Approved	1126	62.0%
Closed		Denied	552	30.4%
Closed		Withdrawn	74	4.1%
Prolonged			10	0.6%
Total Applications Filed			1,816	

Summary of Payments

Sorted by Nonpaying Party Type

November 5, 2013

Nonpaying Party Type	Number of Paid Claims	Total Payments	
Home Builder	1217	7,800,341.00	63.4%
Other	25	179,357.47	1.5%
Real Estate Developer	72	462,183.51	3.8%
Specialty Contractor	655	3,857,470.97	31.4%
Total Payments	1969	\$12,299,352.95	100.0%

Summary of Payments

Sorted by Claimant Type

November 5, 2013

Claimant Type	Number of Paid Claims	Total Payments	
Contractor	818	4,619,123.67	37.6%
Laborer	10	17,070.17	0.1%
Other	1	3,001.75	0.0%
Supplier	1140	7,660,157.35	62.3%
Total Paymen	1969	\$12,299,352.95	100.0%

CERTIFICATE OF COMPLIANCE

RECOMMENDED FOR APPROVAL

-NO EXPLANATION REQUIRED-

Application Report

Property ID: CAFRIC001

Application Examined by: Dane

Homeowner Application

November 1, 2013

Homeowner: Edward & Morrissa Rich

Original Contractor: Caffall Tile & Supply Co Inc

License Number: 227387-5501

License Issue Date: 1/1/1911

Type: Licensed Contractor

License End Date: 11/30/2013

Abstract and Recommendation

Division's Recommendation: Approve

After reviewing homeowners' application and supporting documents, the Division finds that all statutory requirements have been met, and recommends that the application be approved. However, the issue of "written contract" requires explanation.

For the purpose of administering the Residence Lien Recovery Fund, UTAH ADMINISTRATIVE Code R156-38a-102 (15) provides:

"Written contract", as used in Subsection 38-11-204(4)(a)(i), means one or more documents for the same construction project which collectively contain all of the following:

- (a) an offer or agreement conveyed for qualified services that will be performed in the future;
- (b) an acceptance of the offer or agreement conveyed prior to the commencement of any qualified services; and
- (c) identification of the residence, the parties to the agreement, the qualified services that are to be performed, and an amount to be paid for the qualified services that will be performed...

In this case the homeowners submitted a proposal to satisfy the "written contract" requirement (*Exhibit A*). The proposal fails to identify the residence. In order to correct the deficiency the homeowners submitted a copy of a bid from a sub-contractor that identifies the residence (*Exhibit B*). Additionally, there is no evidence that establishes that work began prior to the bid from the sub-contractor. Thus, based on the evidence provided to the division the division recommends that the application be approved.

Exhibit A

Proposal



Caffall Interiors
Residential Cabinetry and Countertop Specialists

www.caffallinteriors.com

MASCO | KraftMaid | QualityCabinets | Merillat

CounterTop PROPOSAL

Submitted To: <u>Morrissa Rich</u>	Project Name: <u>Kitchen Counter Tops</u>
Company: _____	Location: _____
Phone / Fax: <u>801-556-1507</u>	
Email: <u>morrissaed@yahoo.com</u>	Date: <u>April 22, 2013</u>

Caffall Interiors proposes to fabricate, install, and provide the following services in connection with the aforementioned project according to the following breakdown in conjunction with plans, layouts, designs, and site visits last revised and dated: March 29, 2013

Design Consultation Fees:	Included
Counter Fabrication: L- shape tops, Lvingstone - Dune Including Sink <i>what sink? 33x16x9</i>	\$2,695.00
Counter Fabrication: Island tops, Corian - Jasmine	\$2,025.00
Counter Installation:	Included
Tax:	\$330.00

We Include: Applicable Sales Tax, Removal of Trash and Debris attributable to our scope of work

Anticipated installation date of: 7-10 working days after template

We Exclude Any construction related activities outside our specific scope of work

WE PROPOSE hereby to furnish material and labor - complete in accordance with the preceding breakdown for the Lump Sum of:

Payable as follows: **\$5,050.00**

\$2,525.00 down on deposit to begin fabrication, **\$2,525.00** payable upon Delivery,

Balance Due upon Completion and Acceptance, and Issuance of Closeout Documents

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon

Authorized

Signature Michael S. Lloyd

written orders, and will become an extra charge over and above the estimate.

Note: this proposal may be withdrawn

All agreements contingent upon strikes, accidents or delays beyond our control.

If not accepted within 45 days

Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

ACCEPTANCE OF PROPOSAL - The prices, specifications, conditions, and terms of this proposal are satisfactory and are hereby accepted. Caffall Distinctive Interiors is hereby authorized to proceed with this work as specified pending approved drawings. Payment will be made in accordance with the terms established by this proposal. Title to any and all of the work, goods, and services, whether installed or otherwise, whether tangible or nontangible, shall remain with Caffall Distinctive Interiors until final payment has been received. Good and Sufficient Final Lien Releases shall be presented with Final Invoice and Warranty Documents. All attorney fees, interest, and costs associated with the collection of monies relating to this proposal shall be the full responsibility of the named recipient on the face of this proposal.

Signature: Edward A. Rich Printed Name: EDWARD A. E. RICH Date: 4/23/2013

3650 South 300 West Salt Lake City, Utah 84115 Phone: 801-207-9138 Fax: 801-327-8677

Exhibit C

Estimate

PLASTIC SPECIALTIES, INC.

CUSTOM COUNTER TOPS & CABINETS

1640 South Redwood Rd. • Salt Lake City, UT 84104
(801) 746-1212 • Fax (801) 746-1218

Cody

TO: Caffall Interiors

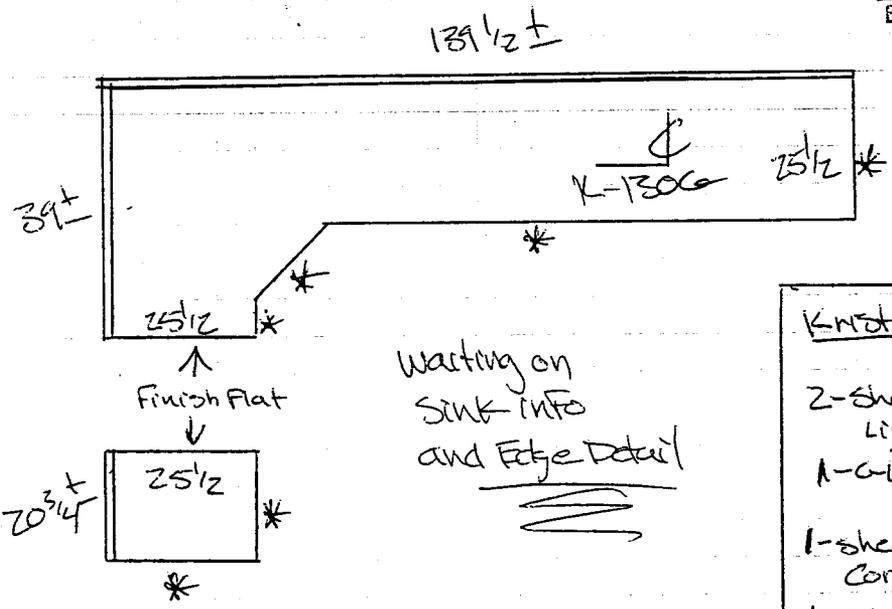
Michael - 801-554-7660

NO. 5006
OF 1

mark 5/16/13

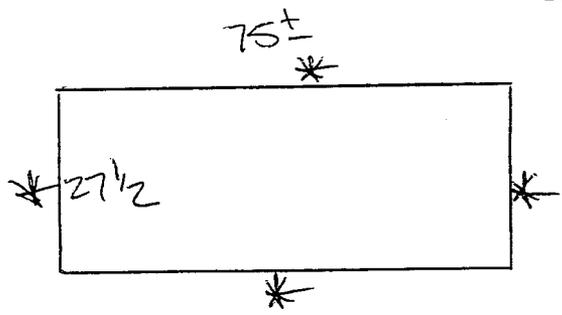
Store # _____
Customer Morrissa and Ed Rich
Address 4291 Wanderline Parcel # _____
PO #s 501-506-1007 22-03-203-
005-0000

Date	Color # <u>Living stone</u>	<input type="checkbox"/> Fabricate	<input type="checkbox"/> Pink	Cabinets In
Processed <u>4/26/13</u>	Name <u>Dune</u>	<input checked="" type="checkbox"/> Order Mat	<input type="checkbox"/> Build/Layout	Date Requested
<input type="checkbox"/> Tri-Cove	<input checked="" type="checkbox"/> Options <u>Solid surface</u>	Ship To / Deliver		Total
<input type="checkbox"/> Full Cove	<input type="checkbox"/> Other, See Detail	<input checked="" type="checkbox"/> Install	Will Call	Tax
Top Detail		Tear Out	T.O. Sink Or Range	Grand Total <u>\$3,485.00</u>
* = Finished Edge				Down Payment
				Balance
				DATE <u>MAY 21 2013</u>



KNOWIN please order
2-sheets of Livingstone Dune
1-Glue
1-sheet of Corran - Jasmine
1-Glue 2-small

Color = Corran Jasmine



Terms of acceptance: I have reviewed the counter top color and layout and accept it as shown.

Customer's Signature _____

Date _____

5006

Application Report

Property ID: SIEWIL001

Application Examined by: Dane

Homeowner Application

November 4, 2013

Homeowner: Donald & Kelli Wilson ("Wilson")

Original Contractor: Sierra Properties LLC ("Sierra")

License Number: 251241

Type: Licensed Contractor

License Issue Date: 12/17/1991

License End Date: 11/30/2013

Original Contractor's Attorney: Mark Nelson

Abstract and Recommendation

Division's Recommendation: Approve

After reviewing homeowners' application and supporting documents provided by both the homeowners and the original contractor, the Division finds that all statutory requirements have been met, and recommends that the application be approved. However, the issue of "payment in full" requires explanation.

UTAH CODE ANN. § 38-11-204 (4) (b) requires:

The owner has paid in full the original contractor . . . , real estate developer, or factory built housing retailer . . . with whom the owner has a written contract in accordance with the written contract and any amendments to the contract.

Evidence

- A. Contract (*Exhibit A*)
- B. Addendum (*Exhibit B*)
- C. Original Contract Response (*Exhibit C*)
- D. Homeowner Response (*Exhibit D*)

Contract Amount

On November 10, 2011 the Wilsons and Sierra entered a written contract for the construction of a residence in the amount of \$672,600 (*Exhibit A*). On December 19, 2012 the Wilsons and Sierra modified the contract raising the amount to \$1,100,000 (*Exhibit B*).

Sierra

Sierra claims that the Wilsons still owe \$341,423 towards the contract because of changes and the Wilsons agreeing to a model home (*Exhibit C*).

Wilson

The Wilsons claim that they have paid \$118,130.14 over the amended contract amount.

Division's Analysis

The Division finds that the Wilson's argument is supported by the evidence. Specifically, Sierra failed to marshal evidence that the contract was modified after the December 19, 2012 addendum and the contract reads that "All expenses and overage costs incurred over & above the amount of \$1,000,000.00 to complete the structure as per the Agreement will be the responsibility of the Builder." Thus, the Division recommends that the application be approved.

Exhibit A

Contract

CONTRACT OF AGREEMENT

THIS AGREEMENT, made THURSDAY NOVEMBER 10, 2011 by and between SIERRA PROPERTIES of 1016 Cinnamon Hills Dr, Provo, UT 84606 licensed to do business as a General Contractor in the State of Utah, referred to herein as "Builder" and DONALD & KELLI WILSON, 495 N. Haystack Mountain Dr., Heber City, UT 84032 referred to herein as "Owner".

PROJECT

Owner agrees to provide funds in the amount of \$672,600.00, for the construction of a residence located at:

Project address: 495 N. Haystack Mountain Dr., Heber City, UT 84032
Subdivision / Lot: Red Ledges Subdivision, Lot 34
Plan name or print description: Wilson

SPECIFICATIONS AND DIRECTIVES

Builder agrees to erect a structure on said premises, to be erected thereon substantially in accordance with the architectural plans and specifications, as well as any riders or changes requested during the course of construction. Said residence is to be constructed under all required city, county and or state inspections and building codes. It is understood that the Builder will, to the extent reasonably possible, use the same materials as are in the architectural plans and specifications, but reserves the right to substitute materials which are equivalent in kind and quality. Builder also reserves right to make changes mandated by local state and federal codes, directives and ordinances. When a difference between codes, directives, and ordinances and the architectural plans and specifications exists the more stringent of the two will be followed.

CONSTRUCTION MANAGEMENT AND PROGRESS PAYMENTS

Owner is responsible to attend a mandatory monthly meeting with the builder to evaluate project progress. Builder will review construction details as outlined in the projects Monthly Progress Report. Owner is responsible for interest free payments as outlined below:

Down payment of \$150,000, received at completion and approval of Building Contract.

Progress Payment of \$150,000, due when Framing begins.

Progress Payment of \$150,000, due when Drywall begins.

Remaining balance due, less holdback funds, when Painting begins.

Holdback Funds in the amount of 1% will be retained by owner. The final balance is due from Owner to Builder upon completed punch list.

THURSDAY, NOVEMBER 10, 2011

TIMELINE AND ACCEPTANCE

It is anticipated that the residence will be substantially completed 9 months after the start of framing. Start of framing is estimated to be during December 2011. Builder shall not be responsible for delays due to Institutional approvals, adverse weather conditions, acts of God, material/labor shortages, delayed decision deadlines and unreasonable special order postponements. Any changes to the project completion date will be reflected in the Monthly Progress Report. Final payment of the balance of contract price together with all costs and expenses incurred shall be due at completion of Punch List, the date of which is usually no later than 30 days after a Certificate of Occupancy (CO), or a comparable permit is issued. Remittance, by the Owner of the final payment and delivery of possession of the residence by the Builder shall constitute acceptance of the work by the Owner.

DELAY IN PAYMENT

Should the Owner encounter difficulty that would delay any payment due, the Builder will be entitled to a 1% per month charge based upon the total amount currently due. The final payment will include all the costs and expenses incurred less the amount paid YTD to the Builder. Said charges shall accrue commencing on the specified due dates outlined above. This remedy shall in no way limit or alter any remedy provided for in applicable sections below.

CONTRACT DOCUMENTS DEFINED

The agreement between the parties shall be conclusively determined to consist of this building contract, the allowance categories, the architectural plans and specifications as provided, as well as any other riders or changes requested during the course of construction.

LABOR AND MATERIAL FURNISHED

This contract is to include all labor, material and services of every kind necessary for the proper performance of the work in accordance with this building contract. The Builder shall obtain all permits necessary for the construction of the residence.

INSURANCE AND INCIDENTAL COSTS

Owner agrees to carry a Builder's Risk Insurance policy on said improvements during the construction period. Builder's Risk policy covers loss replacement, after deductible, of materials on site. The policy will be taken out in an amount equal to the hard cost of construction. Owner is responsible for costs incurred by said insurance, including premiums and deductibles.

CHANGES

No changes shall be effective unless agreed to by Owner and Builder. Provisions for payment of requested changes will be made upon terms satisfactory to the Builder. Project cost will increase or decrease according to the Allowance Categories and changes made. Allowance Categories are to be utilized according to the Owner's discretion. Any remaining allowance funds can be saved or applied to other areas of the project. All changes requested by Owner or required by Builder, that take additional time, will extend the contract completion date accordingly.

POSSESSION

From the time of commencement of work, until completion, the Builder shall be entitled to remain in possession of the residence, so far as required by Builder for the purpose of performance of this contract. Owner or his agent retain the right to inspect said property and retain interest equity equal to amount paid. Inspections will occur after 4:00 p.m. weekdays and on weekends when Builder labor is not present. Children under 12 years of age need specific permission, on a per occurrence basis, from builder or his agents to come on site. Total possession shall not be delivered to the Owner until work is substantially completed, all required payments have been made, and the work has been accepted by the Owner.

THURSDAY, NOVEMBER 10, 2011

OWNERSHIP OF MATERIALS

All materials delivered by the Builder to the premises for use in the construction work required by this contract shall remain the property of the Builder until it has actually been used for such purposes and paid for by the Owner. Any material not so used, may be removed by the Builder or returned to supplier with credit back to the job account.

RIGHT TO TERMINATE

BUILDER: Should the Owner fail to make any scheduled and due payment within fifteen (15) days after being notified by the builder, it is understood that the Builder may at Builder's sole discretion, elect to exercise one or all of the following remedies: (I) suspend or terminate work; (II) terminate the contract; (III) recover from the Owner payment for all monies due.

OWNER: Owner reserves the right to terminate this contract under the following conditions: Builder's (I) Bankruptcy, (II) Death or Disability where resulting company cannot complete the contract or (III) failure to substantially perform construction work under this contract. Where Owner exercises his right to terminate under condition (III), Builder will have 30 days after notification to remedy defect or reasonably address the construction work in dispute. The Builder shall not be subject to conditions beyond his control as specified in "Time & Acceptance" Paragraph above.

ASSIGNMENT

Builder or Owner shall not assign or otherwise dispose of this contract or his interest therein to any person without the prior written consent of the other party. This contract shall be binding and inure to the benefit of the heirs, executors and administrators, successors and assigns of the respective parties hereto.

TERRAIN

When rolling terrain occurs, the Builder reserves the right to make minor steps in the foundation, footings and walls in order to facilitate the proper grading and drainage and to make the finished product set as naturally as possible into its surroundings. The Owner is responsible for additional costs that may be incurred, if unacceptable soil or terrain conditions need to be corrected during the building process.

MECHANIC'S LIENS AND TITLE INSURANCE

Upon deposit of Owner's checks, Builder shall ensure that all funds paid out will be applied correctly to Builder's costs including employees, suppliers, and subcontractors. To help ensure accuracy in all financial management, builder will obtain lien releases from all significant subs/suppliers. At his option and sole expense, owner may obtain a policy of Title Insurance after occupancy.

SUPERVISION

Matthew Rittmanic will be the Primary Project Manager on the Wilson residence for the duration of the project.

MEDIATION

Any controversy, claim or dispute arising out of or relating to this agreement or any breach thereof, shall, if not settled within fifteen (15) days from the date of receipt of written demand, be settled by mediation. This agreement to mediate shall be specifically enforceable under the prevailing mediation law and the award rendered by the mediators shall be final and binding. The location for settlement of any and all claims, controversies, or disputes arising out of or relating to the agreement or any breach thereof shall be at the location mutually agreed upon. Either party may initiate the mediation procedure by written notice to the other party, which written notice shall include the name of one mediator selected by the initiating party. Within seven (7) days thereafter, the party receiving such notice shall agree with the selection or similarly recommend a mediator and notify the other party of his selection in writing. Failure of the party receiving notice to recommend a mediator within seven (7) days shall entitle the party giving notice to use their selection. If the parties cannot agree on one of the proposed selections, the mediators shall between them select a third mediator to complete the proceedings. Once selected the mediator shall promptly proceed with hearings on such issues as are designated in writing by the parties consistent with this agreement, and shall promptly render a decision with respect thereto in writing. Such decision shall be final and subject to enforcement by appropriate court order. Mediator costs and attorney's fees may be distributed as the mediator see fit.

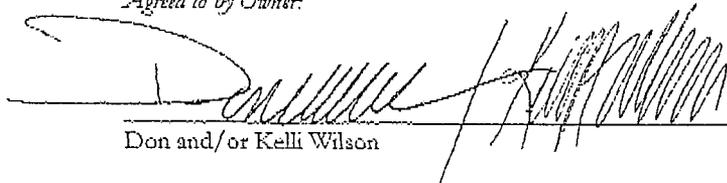
THURSDAY, NOVEMBER 10, 2011

NOTIFICATION

All notices to be delivered by reason of any of the provisions of the agreement shall be in writing and shall be deemed to have been given when mailed certified or registered mail, return receipt requested and postage prepaid to the recipient at the address given above.

This agreement will not be effective until first signed by the Owner and accepted by an authorized representative of Builder, where upon this agreement will be a binding contract between the parties with respect to the work described in the Project Parameters and the terms and conditions set forth herein.

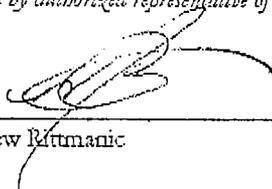
Agreed to by Owner:



Don and/or Kelli Wilson

Date: 11 / 10 / 11

Accepted by authorized representative of Sierra Properties:



Matthew Rittmanic

Date: 11 / 10 / 11

Wilson Allowance Categories

Description	Amount	Actual	Variance	Balance
310 Jacuzzi	\$ 1,600.00		\$1,600.00	
600 Cabinets	\$ 29,000.00		\$29,000.00	
601 Counter	\$ 7,500.00		\$7,500.00	
610 Finish Electrical / Lighting	\$ 6,000.00		\$6,000.00	
620 Finish Plumbing	\$ 8,400.00		\$8,400.00	
630 Flooring - Wood	\$ 8,000.00		\$8,000.00	
631 Flooring - Ceramic / Stone	\$ 2,500.00		\$2,500.00	
632 Flooring - Carpet	\$ 7,000.00		\$7,000.00	
640 Closet/Garage Built-ins	\$ 4,500.00		\$4,500.00	
650 Bathroom Accessories	\$ 400.00		\$400.00	
651 Shower Doors	\$ 2,000.00		\$2,000.00	
652 Mirrors / Med. Cabinets	\$ 600.00		\$600.00	
660 Finish Hardware	\$ 2,800.00		\$2,800.00	
790 Appliances	\$ 20,000.00		\$20,000.00	
810 Deck Rail	\$ 4,000.00		\$4,000.00	
811 Fill-Finish Grading	\$ 2,000.00		\$2,000.00	
840 Topsoil/Rock	\$ 8,000.00		\$8,000.00	
870 Pavers Courtyard	\$ 5,000.00		\$5,000.00	

* Contingency(Capital Improve Ft) \$ 30,000.00 \$30,000.00

11/10/2011

Balance

\$0.00

Exhibit B

Addendum

**CONTRACT OF AGREEMENT
ADDENDUM**

This Agreement was made WEDNESDAY DECEMBER 5, 2012¹ by and between SIERRA PROPERTIES of 1016 Cinnamon Hills Dr., Provo UT 84606 and DONALD & KELLI WILSON, 495 North Haystack Mountain Dr., Heber City, UT 84032.

PROJECT

Owner agrees to provide funds in the amount of \$1,100,000.00 for the construction of a residence located at:

Project Address: 495 N Haystack Mtn Dr., Heber City, UT 84032
Subdivision/Lot: Red Ledges Subdivision, Lot 34
Plan Name: Wilson

SPECIFICATIONS AND DIRECTIVES

Builder agrees to erect and complete a structure on said premises to the extent reasonably possible, use of the same materials as specified in the architectural plans and specifications, but reserves the right to substitute materials which are equivalent in kind and quality.

The following items are to be included in the agreed upon final completed Project:

All landscaping including: trees, shrubs, perennials, all topsoil, rock patio, hot tub, firepit, irrigation, outdoor lighting
Furniture and misc. (couch correction, dining chairs, cushion upholstery, leather handrail, custom mantles, metal detailing)
Finished Built-in Vacuum.
Custom closets and shelving in Master BR, pantry, music room & garage
All audio including: Savant, Lutron, Halo.
All interior stone & wood walls, wood beams in basement.
All lighting.
All cabinets including: music room, furniture pieces, window seats
Remaining appliances: Dishwasher, microwave.
All plumbing including: Jacuzzi tub in Master BR, shower doors.
All granite including: Kitchen, vanities, basement bar countertop, laundry room.
Finish hardware including deck rail and loft rail.
Outdoor decking and installation.

Items not included in Final Project budget of \$1,100,000.00:

Outdoor kitchen.
 Bathroom fixtures & accessories.
 Window treatments.
 Fabric for cushions in window seats/day beds.

NOTE: All expenses and overage costs incurred over & above the amount of \$1,100,000.00 to complete the structure as per this Agreement will be the responsibility of the Builder.

CONSTRUCTION MANAGEMENT AND PROGRESS PAYMENTS

The Owner is responsible for interest free payments as outlined below:

Down payment as of December 13, 2012:	<u>\$1,060,000.00</u>
Remaining balance due upon signing this Agreement	<u>\$ 29,000.00</u>
Holdback Funds *	<u>\$ 11,000.00</u>
Total Amount	<u>\$1,100,000.00</u>

*Holdback Funds in the amount of 1% (\$11,000.00) will be due to the Builder upon completion of Project and completed Punch List.

TIMELINE AND ACCEPTANCE

Final payment or holdback funds shall be due at the completion of Punch List. The Punch List will be completed no later than 30 days after a Certificate of Occupancy (CO) is issued. Remittance, by the Owner of the final payment and delivery of possession of the residence by the Builder shall constitute acceptance of the work by the Owner.

COMPLETION OF PROJECT

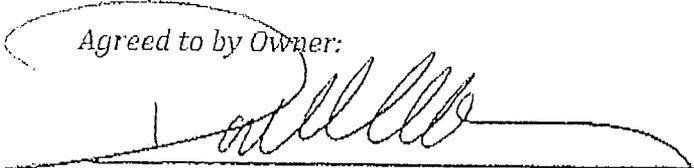
Should the Builder be unable to complete the conditions of this agreement for any reason, i.e. illness, death, etc., the Owners are not responsible for any outstanding invoices, billing for services, etc. and will be released from all significant subs/suppliers of any financial obligations. Sierra Properties will be responsible for all funds to be applied correctly to Builder's costs including employees, suppliers and subcontractors.

POSSESSION

The Owners have made arrangements to have all furniture and possessions moved into the residence no later than January 4th, 2013.

Final completion of this Project including the Punch List will be no later than January 31st, 2013.

Agreed to by Owner:



Donald and/or Kelli Wilson

Date 12 / 19 / 12

Agreed by Builder

_____ Date ____/____/____
Matthew Rittmanic

Addendum to Wilson-Sierra Agreement Dated December 5, 2021

Sierra will not supply the items indicated below but will endeavor to obtain incentive consideration from suppliers to offset future costs.

- Landscaping- will include a light topsoil covering on the visible portions of the back hill using the current topsoil onsite. Wilson will provide an additional 1300.00 for loads of topsoil obtained and agrees to participate in the costs associated with additional rocks required...not to exceed 1000.00. *OK DW KW*
 - Vacuum- rough-in only...does not include finished garage unit *DW*
 - Custom closets- garage storage not included *OK DW KW*
 - Lighting- does not include low voltage accent lighting *DW*
 - Cabinets-does not include the Queen Suite armoire *OK DW KW*
 - Finished Plumbing- Wilson's agree to help with costs associated with Kitchen sinks and Master Suite sink and faucet, if the cost of final items chosen is excessive. *DW*
 - *Exterior Copper Gutters... not to exceed \$1500.00 DW*
- Holdback Funds will be provided when Occupancy is approved. *DW*

[Handwritten Signature]

Owner

12/19/12

[Handwritten Signature]

Builder

12/19/12

payment \$29,000.00

12/20/12

[Handwritten Signature]
176.

Exhibit C

O/C Response



Sierra Properties/Wilson

Sierra Properties <sierrapro1@gmail.com>

Thu, Jul 11, 2013 at 1:33 PM

To: tnaff@utah.gov

Tracy,

Thank you for the information you have provided and for your timely response to my questions.

I thought it would be important to provide some information that will help provide clarity and a full perspective on this situation. I have attempted on several occasions to entreat the Wilsons to discuss this problem. It is always a good direction to sit and endeavor to find some common ground prior to involving a third party to solve differences. I sent them a thoughtful and respectful email after we initially had our disagreement on the jobsite mid April (**Wilson 4-25-13**). The last and final attempt at an open discussion was sent on Tuesday, 7/9/13 (**Wilson 7-9-13**). I have not yet received a response to my last request.

It unfortunately seems that we may have to use the mediation process that is defined in our agreement ("Mediation" section, page 3). The Wilsons are omitting critical information to present a set of facts that is deceiving and are endeavoring to apply improper pressure on the situation by attempting to threaten the welfare of my friend and qualifier's license. They are also attempting to circumvent their obligations when they are very aware there is a substantial amount of money outstanding their actions have defined. The information in their application is not counterfactual...it is just incomplete and meant to distort responsibility.

The Wilsons and I have worked together for over 18 months on the design and construction of this magnificent home and have never had a harsh word. In fact the project was always defined by the genuine regard and trust that we shared. From the inception, the project was designed as a model home for Sierra Properties. All of our financial agreements have been tied directly to the incentives and consideration of a model home. The Wilsons have been intimately involved in every step of the process and have participated in many of the negotiations regarding the savings realized.

The Wilsons have provided 1.1 MM in funds for their home that is worth significantly more. We have defined the budgets from the beginning to reflect substantial Model Home incentives that have been graciously provided by many suppliers and subcontractors. Those incentives were attained through personal relationships I have developed for decades in the industry and have taken an inordinate amount of effort to garner. The project took nearly four extra months to complete because of the orchestration these sort of savings requires. The savings are attached and have been tracked and outlined for the Wilsons totaling over 230,000.00 (**Wilson Model Incentive-Savings**). Our time as a company to negotiate and orchestrate those incentives is not included in that amount...that would total a considerable amount of money and was always to be a part of the package of incredible savings to benefit the Wilsons.

This is an excerpt of an email I sent Wilsons with the latest Model Home savings spreadsheet that helps to explain why they were a little late getting in and defines the extraordinary level of involvement and commitment this project has required:

...I can produce an average of 2000 dollars worth of incentives with a ten hour day interfacing with suppliers. Some days I get 4000 with half a day's work...sometimes I work two days and get nothing. I consistently average roughly 200 in incentives per hour. Now...this is the shocking stat that I really did not get. It has taken me 1200 hours to raise this 230K. That equates to 24@50 hour work weeks...that is over 5 months at 10 hour days. That is in addition to my regular scope of work to build your house. I think I dropped 2K on lunches and thank you meals for all the Suppliers that have been so generous. This is real folks...and...it is why your late getting in.

The home was substantially completed by late winter and we were working on collecting the incentive considerations and negotiating the last few key agreements left to complete the project. We attained an occupancy permit in February and were finishing up the punch list that could be completed prior to spring. I took a design job in Costa Rica and left for a five day trip the first week of April. When I returned from the trip... after extracting all the talent and generosity from my subs and suppliers, the Wilsons informed me that they no longer wanted to do a model. It was completely unprecedented and I informed them that breaking their commitments would significantly change the cost of their home.

I pride myself on being a good judge of character...I did not see this coming. Mr. Wilson looked me straight in the eye and said..."we never committed to a model home, show me it in writing." Needless to say, there are numerous emails and written correspondence confirming our agreement. And, the majority of the subs and suppliers involved were either directly part of conversations or were party to discussion regarding the model agreement. It was talked about almost daily. This is causing a serious breach in my commitments with all my suppliers and subs and it has dramatically affected my ability to finalize the incentives. I cannot in good faith allow my suppliers to provide the reimbursements promised after the Wilsons have broken their commitment. One of the liens from Crescent is a good example of the problem...my negotiations with the primary supplier of recessed lights Halo/Eaton was stalled. The Wilsons will have to make this right with my subs, suppliers and my company.

We have provided the Wilsons with a comprehensive bill that has reversed the Model Home incentives and credited the weather related exterior items they completed after our falling-out in April (**Wilson Final Bill 5-1-13**). We will never allow any of our suppliers or subcontractors to be taken advantage of, they are too important to me personally and professionally. We would never allow Mr. Stosich's license to be negatively affected in any way. This situation has prevented finalizing payments to a few subs/suppliers..we will get them paid. In the event we are awarded a judgment against the Wilsons and they stall or avoid paying somehow...we will still take care of our people. Because of the current delay, we are already starting to set up some arrangements with our subs/suppliers while we get this resolved.

The Wilsons have said in writing that they never committed to a Model Home arrangement and it is important at this point to allow them to be caught in their web of deceit, first hand, by the mediator. I need to request that any information that I provide is kept strictly confidential. I will provide you with any information you require to satisfy your requirements to deny their application.

I am hopeful that this can be resolved quickly through some personal discussion or mediation if necessary. I will

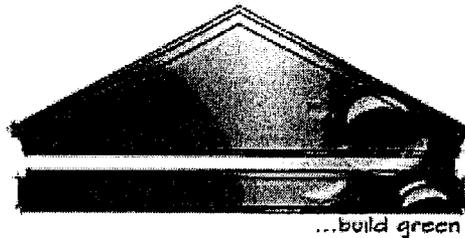
keep you informed of the progress. Please let me know if you have questions or need any additional material.

Sincerely,

Matthew Rittmanic

801-836-6000 cell

*Please acknowledge receipt of this correspondence...thank you.



Sierra Properties

D E S I G N · C O N S U L T I N G

801.375.1551 off 801.375.1552 fax

4 attachments

 **Wilson 4-25-13.pdf**
84K

 **Wilson 7-9-13.pdf**
32K

 **Wilson Model Incentive-Savings.pdf**
93K

 **Wilson Final Bill 5-1-13.pdf**
123K

Wilson Model Incentives

Sub/Supplier	Net	Notes
Concrete/ Parsons	500	
Foundation Labor/Davis	1500	
Gravel/Parsons	400	
Framing Labor/Nephl	2500	
TII/Microlam	4500	
Simpson	1000	
Fireplaces/Lennox	3500	
Timbers/Euclid	15000	
Windows/Sierra Pacific	4500	
Vellux skylites	5000	
Insulation/Icynene	13000	
Elevator/Colorado Lifts	8000	
Hvac Labor/Jones	3500	
Lennox		
Plumb/Moen	2500	
Plumb/Amer Standard	1000	
Insinkerator	350	
CH Fuse boxes/Cutler Hammer	1000	
Drywall labor/Aspire	2000	
Doors-Trim/Wasatch	3000	
Paint/Sherwin Williams	11000	
Paint/Stephan	8000	
Cabinets/Barlows	12000	
Cab hardware/Louis Co		
Granite-Sink/Center Point	11000	
Temp glass-Fr Door/ Jones	350	
Wood floor/ Intermountain	800	
Wood floor finish/Eurathane	1000	
Wood floor labor/Mitchell	3000	
Tile/Contempo	6500	
Tile labor/Rigby	3500	
Garage doors/Cascade Door	2500	
Trex	4000	
Main timber mantle/Euclid	1615	
Base timber mantle/Euclid	450	
Door hardware/Fusion	1500	
T&G ceiling labor	4000	
Metal fabrication/Beyond Welding	1500	
Metal Cutting/ Critical Lazer		
Carpet/Camelot		
Carpet labor/Deav	75	
Lighting/Wasatch	1200	
Lutron	8500	
Lutron programing/Mark	1000	
TruAudio	4500	
Savtech/Synapse	8000	
Control4		
Vacumaid	1600	
Shower glass	800	
Tyvek	1500	
siding/Montana Ranchwood	2500	
Landscape	12000	
Landsc/topsoil	5000	
Lands/rock	6000	
Landsc/lighting	1500	
Landsc/sprinklers	2000	
Masonry	15000	
Pavers	10000	
Roofing labor/Kinder	1000	
Roof/Underlayment	500	
Roof/Shakes	2500	
TOTALS	230640	
<i>Future Hopeful Incentives</i>		
low voltage/detail lights		
humidifier		
home audio		
Phantom Screens		
Exterior:		
Spa/Hottub		
paver stone		
kitchen		
landscape trees/lights		

Willy and Kelli,

Since you have made the decision to not honor your commitment to make your home a model for Sierra Properties(hereafter SP), I have attached our final bill that includes model home credits and incentives reversed and all applicable overages.

I am not responsible for the design, technical application, safety or cost incurred for any materials or labor that you have requested in my absence. I have endeavored to credit your account for the budgeted amount of items listed on the final punch list dated 4/5/13, that were the responsibility of SP, that you have requested, supervised and paid for while I was out of town or not present on the jobsite. Any items paid by you and not credited correctly on the final bill can be addressed.

The final bill is due immediately...prompt payment will minimize further liens and collection actions. Copies of all applicable final lien releases will be provided timely after payment is received.

Let me know if you would like to personally discuss any aspect of the final bill or if you would prefer to move forward with the mediation process specified in the contract.

Matthew

Wilson Final Billing

Date	Description	Cost	Payments/Credits	Balance
11/27/2012	Progress Report	\$1,223,500.00	\$930,000.00	\$293,500.00
	Payments		\$170,000.00	\$123,500.00
4/3/2013	Progress Report 4/3/13			\$123,500.00
	Additional Costs	\$15,500.00		\$139,000.00
	Moen Finish Plumbing	\$7,000.00		\$146,000.00
	Halo Finish Lighting	\$8,300.00		\$154,300.00
	Music Room/Barlows(included)	\$0.00		\$154,300.00
	Custom Handrail additional	\$4,000.00		\$158,300.00
	Premium Stone for Patio	\$4,175.00		\$162,475.00
2/25/2013	Model Home Savings-Incentives <i>(-26,500 Lands/Rocks/Topsoil)</i>	\$204,140.00		\$366,615.00
	Additional Incentives:			
	Lennox frplcs & flu (additional)	\$2,650.00		\$369,265.00
	Electrician labor	\$5,230.00		\$374,495.00
	Control4 Audio	\$3,500.00		\$377,995.00
	Roofing/Skylight labor	\$4,400.00		\$382,395.00
	Cab Hardware	\$1,050.00		\$383,445.00
	Rustica-decorative hardware	\$1,730.00		\$385,175.00
	Wilson Credits:			\$385,175.00
	LMS Landscaping		\$30,502.00	\$354,673.00
	Jones-AC set		\$3,000.00	\$351,673.00
	Master tub		\$1,600.00	\$350,073.00
	Munson-Set master		\$400.00	\$349,673.00
	Back Porch Lighting		\$50.00	\$349,623.00
	Spa-Hot tub		\$5,000.00	\$344,623.00
	Chimney tops		\$2,600.00	\$342,023.00
	Veranda metal cap		\$600.00	\$341,423.00
	Totals	\$1,485,175.00	\$1,143,752.00	\$341,423.00
	Total Due			\$341,423.00
	<u>Incentives Cancelled (Model Agreement Cancelled)</u>			
	Crescent/Halo			
	Humidifier			
	Low voltage lighting			
	Master Tub deck/Laundry backsplash			
	Spa-Hot tub			
	Phantom Screens			
	<u>Additional Discussion Items</u>			
	Custom element design time			
	Negotiating time for model			
	Additional hours			
	2@International Builder Shows			

Exhibit D

Homeowner

Response

October 9, 2013

Dane Ishihara
Claims Manager
State of Utah Department of Commerce
160 East 300 South
Salt Lake City, UT 84114

Re: Application of Certificate of Compliance
Lien Recovery Fund Property ID: SIEWIL001
Homeowner: Donald & Kelli Wilson
Original Contractor: Sierra Properties LLC

RESPONSE TO CONTRACTOR'S OPPOSITION:

I am responding in reference to the contractor's outlandish claim and "homemade" spreadsheet that he is owed \$341,423.

We have submitted all documentation to the State of UT Department of Commerce to support the fact that we have paid Sierra Properties in full (\$1,100,000.00) as per our Contract of Agreement signed and dated on December 19, 2012. This same contract states that final completion of this "Project" including the Punch List will be done no later than January 31st, 2013. The "Project" was not completed within the guidelines of this contract. This "homemade" spreadsheet submitted by Sierra Properties states this Progress Report was dated April 3rd, 2013. Clearly there is a disconnect between the signed Contract of Agreement and his first attempt at any type of Progress Report to the homeowners. This same "homemade" spreadsheet was not made known to us until approximately 2 months after the contractor was in "Breach-of-Contract". It was unknown to us of any additional expenses or costs between January 31st, 2013 and May 1st, 2013. We were copied on this "homemade" spreadsheet in question "Wilson Final Billing" via email from Sierra Properties on May 1st, 2013.

The contractor submitted several line items in his Progress Report, i.e. Additional costs, Moen Finish Plumbing, Halo Finish Lighting, etc. Our Contract of Agreement clearly states that Sierra Properties will be financially responsible for ALL expenses and overage costs incurred over and above the amount of \$1,100,000.00. The "homemade" spreadsheet shows

Payments/Credits in total of \$1,100,000.00 as per November 27th, 2012. All of these additional expenses are noted after April 3rd, 2013 on this “homemade” spreadsheet. We have not seen any documentation and we were not made aware of any additional expenses incurred by Sierra Properties. To date we have not seen an invoice, a bill, a Purchase Order or anything in writing from any Vendors, sub -contractors or subs to substantiate or prove any of these financial claims. All of these expenses are clearly a “fabrication” of Sierra Properties and have no basis or merit. We have no idea where these dollar figures came from or if they are even real for these additional expenses – which is a moot point since the contractor is contractually responsible for all expenses over \$1.1M. anyways. We were not privy to any of the financial transactions between our contractor and the vendors, subcontractors or dealers. We asked to see written statements and financial updates/reports on several occasions only to be dissuaded by our contractor that it would take several days to complete such a Report and it would delay our timeline to finish the “Project”. In hind sight, we ask ourselves what was he hiding and believe it or not, our new home is still NOT finished?? Once again, please refer back to the language of our signed Contract of Agreement: “All expenses and overage costs incurred over and above the amount of \$1,100,000.00 to complete the structure as per this Agreement will be the responsibility of the builder”.

The contractor has attempted to falsely assess additional charges for “model home credits and additional incentives” which is absolutely ridiculous and unbelievable to us. There has never been an agreement that our home was to be used as a “model home”. There was never anything reduced to writing in a contract or even contemplated in an oral agreement. The Contract of Agreement made no reference to “model home credits and incentives” or any mention of “model home” at all. Nothing in the contract establishes future obligations for us to use our home as a “model home”. The home was to be built and occupied as a personal residence for us. The original contract as well as the Contract of Agreement makes reference to the “Builder” being compensated for the construction of a “residence” not the construction of a “model home”!

Once again, there is no evidence to substantiate the contractor’s claim to “model home credits and additional incentives” of \$204,140.00. These claims are clearly a “fabrication” of his own concoction and have NO basis or merit, especially in light of the language of our signed Contract of Agreement. I have attached a document written by our Attorney, Mark Nelson, P.C. and sent via US mail to Sierra Properties on May 3rd, 2013 that

very clearly address many of the issues presented in the “homemade” spreadsheet (see attached for your background information).

In reference to the lower section of the “homemade” spreadsheet (Incentives Cancelled and Additional Discussion Items), we have no idea what the contractor is talking about. In fact, we currently have a Mechanics Lien against our home from Crescent Electric who are the suppliers of Halo. We paid “out-of-pocket” for our Humidifier. We never ever did get the Low voltage lighting installed. Lastly, I have also paid “out-of-pocket” for the Master Tub deck/laundry backsplash and the Phantom Screens (see attached receipts). Once again, we have no idea what the contractor was implying by “Custom element design time, Negotiating time for model – additional hours and 2 International Builder Shows. We are at a loss for any explanation about why or what this has to do with us trying to get our Certificate of Compliance.

As per our discussion, we were forced to terminate our relationship with Sierra Properties on April 11, 2013. Sierra Properties was clearly in “Breach-of-Contract” and failed to meet his financial obligations both to our “Project” and the vendors, and subcontractors. Sierra Properties also failed to complete the construction of the “Project” as per our Contract of Agreement.

It became our responsibility to finish the “Project” on our own. Since we had paid Sierra Properties in full (\$1,100,000.00) to complete the construction of the “Project” and it was not finished, it was our personal financial obligation to pay “out-of-pocket” to move forward. I have included the receipts that I have paid to date towards finishing our “Project”. Unfortunately, we will have to pay well over the \$1,100,000.00 to finish our home. We are expecting more expenses as the home is still not fully completed.

In closing, we really do not have any idea what the builder ‘s intentions were around this incomprehensible “homemade” spreadsheet. In our opinion, it is meaningless because we do not know what it implies. The “homemade” spreadsheet entitled Wilson Final Billing was sent to us in direct retaliation after we fired him from the “Project”.

The facts are: (1) the contractor signed the Contract of Agreement on December 19, 2012 stating he would completely finish our home for \$1.1 M. (2) We paid \$1.1M to the contractor in full to complete the “Project”. The State of Utah Department of Commerce has proof of these payments. (3)

Dane Ishihara
October 9, 2013
Page 4 of 4

The Contract of Agreement clearly states that ALL expenses over and above \$1,100,000.00 is the financial responsibility of the contractor. (4) The contractor was fired from our "Project" on April 11, 2013 for "Breach" of the Contract of Agreement. This included: the contractor did not meet his contractual obligations to pay all vendors, subcontractors, etc. for services rendered. He did not meet his timeline to finish the "Project". He was paid in full in the amount of \$1.1M and was unable to meet his contractual financial obligations to finish the "Project". We felt that he had stolen funds from us for personal use. At present we have three Mechanics Liens against our home in excess of \$25,000.00 (see attached). (5) This mysterious "homemade" spreadsheet appeared for the first time several weeks later in direct retaliation after he had been removed from our "Project" (6) The "Project" including Punch List items were not completed by January 31st. (7) There is absolutely nothing in writing or legal binding that implies our "Project" was in any way a "model home" for Sierra Properties. (8) We are still paying "out-of-pocket" money and expenses to complete our new home "Project". (9) We have never witnessed or were privy to any documentation to support or back up any of these claims on the contractor's "homemade" spreadsheet. (10) The Contract of Agreement is very clear that any and all expenses incurred over \$1.1M are the responsibility of the contractor. Therefore, this "homemade" spreadsheet is **irrelevant**.

We are as confused as anyone. We are trying very hard to keep the emotion out of it, but we are distraught and physically sick due to the underhandedness and criminal actions of our contractor.

Dane, thank you for your kind consideration. We truly believe that we have done everything in our power to follow the criteria the state of Utah has set for applying for and receiving a Certificate of Compliance. If you have any more questions, feel free to call us at 617-733-2167 anytime.

Respectfully yours,

Don and Kelli Wilson
495 N. Haystack Mountain Drive
Heber City, UT 84032

OUT-OF-POCKET EXPENSES - OVER CONTRACTUAL AMOUNT OF \$1.1M

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ELECTRICAL WHOLESALE SUPPLY	SENSOR IN-WALL SWITCH	\$32.32
MOUNTEER ENTERPRISE	OUTDOOR BBQ ISLAND	\$2,000.00
WASATCH LIGHTING	(3) BAR STOOLS	\$2,119.63
RC WILLEY	WOLF RANGE	\$10,317.80
CORY ZOBELL	INSTALL DOOR PULLS	\$90.00
RIGBY TILE	TILE INSTALLATION	\$554.00
HEBER VALLEY LOCK & SAFE	INSTALL DOOR HARDWARE	\$65.00
SPA DEPOT	HOTSPRINGS SPA	\$7,000.00
LANDSCAPE MANAGEMENT	LANDSCAPE INSTALLATION	\$32,346.48
STRONG ROCK PAVERS	STONE PATIO INSTALL	\$22,390.00
WASATCH TIMBER POST & BEAM	MATERIALS	\$88.00
JLH	TRIM INSTALL	\$180.00
SYNAPSE AUDIO VIDEO	A/V INSTALLATION	\$1,764.66
JOHN COLEMAN	MIRAGE SCREEN INSTALL	\$5,275.00
CAPITAL RAIN GUTTERS	COPPER GUTTER INSTALL	\$6,380.00
BARLOW'S	DEPOSIT - MUSIC CAB.	\$3,732.40
RAY ATWOOD	ELECTRICAL WORK	\$1,317.00
RAY ATWOOD	ELECTRICAL WORK	\$313.00
RAY ATWOOD	ELECTRICAL WORK	\$175.00
WASATCH LIGHTING	SEMI-FLUSH CHANDELIER	\$1,905.49
CRYSTAL CLEAN VENTS	VENT CLEANING	\$1,650.00
DAN THOMAS SHEET METAL	EXT. CHIMNEY VENT	\$90.00
RUSTICA HARDWARE	DOOR PULLS	\$256.20
CULLIGAN	WATER SOFTENER	\$2,100.00
HEARTH & HOME	INSTALL LOG LIGHTER	\$303.19
JLH	WOOD WORK	\$300.00
JLH	WOOD WORK	\$210.00
DEREK BECKER	PAINTING	\$25.00
CUSTOM JETTED TUBZZ	WHIRLPOOL TUB & TRIM	\$1,210.55
MUNSON MECHANICAL INC.	INSTALL JETTED TUB	\$650.00
JONES MECHANICAL	INSTALL A/C & HUMIDIFIER	\$3,550.00
RIGBY TILE	TILE INSTALL - ELEVATOR	\$240.00
MIKE ARCHIBALD	INSTALL MURPHY BED	\$400.00
MOUNTAINLAND DESIGN	SUB-ZERO FRIDGE	\$5,399.42
RENAISSANCE MAN	PAINTING/STANING	\$3,700.00
	<u>TOTAL:</u>	<u>\$118,130.14</u>

Certificates of Compliance

Recommended for Denial

-Explanation required-

Application Report
Property ID: EDGKUN001
Application Examined by: Dane

Homeowner Application
September 27, 2013

Homeowner: Burt Kunzler

Original Contractor: MEHI Inc dba Edge Pro Concrete

License Number: 5134704-5501
License Issue Date: 11/27/2002

Type: Licensed Contractor
License End Date: 11/30/2013

Abstract and Recommendation

Division's Recommendation: Deny

Having reviewed evidence submitted by the homeowners, it is the Division's opinion that the evidence submitted fails to meet the homeowners' burden of proof. Specifically, the Division finds that the homeowners failed to meet the statutory requirement of "written contract" as required by UTAH CODE ANN. § 38-11-204 (4) (a) and defined in UTAH ADMIN. CODE ANN § R156-38a-102 (15). For this reason, the Division recommends the application be denied.

Utah Code Ann. § 38-11-204 (3) & (4) (a) require:

To obtain a certificate of compliance an owner ... shall establish that ...the owner of the owner-occupied residence or the owner's agent entered into a written contract with an original contractor licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act:

For the purpose of administering the Residence Lien Recovery Fund, Utah Administrative Code R156-38a-102 (11) provides:

"Written contract", as used in Subsection 38-11-204(4) (a) (i), means one or more documents for the same construction project which collectively contain all of the following:

- (a) an offer or agreement conveyed for qualified services that will be performed in the future;
- (b) an acceptance of the offer or agreement conveyed prior to the commencement of any qualified services;
- and
- (c) identification of the residence, the parties to the agreement, the qualified services that are to be performed, and an amount to be paid for the qualified services that will be performed.

As evidence of a written contract, the homeowner submitted what appears to be a receipt (*Exhibit A*). The receipt does not exhibit "an acceptance of the offer or agreement conveyed prior to the commencement of any qualified services."

The receipt and check (*Exhibit A*) are both dated July 25, 2012. Additionally, the lien states that services were provided on July 25, 2012 (*Exhibit B*).

The homeowner failed to meet his burden of proof and establish that the homeowner and contracting entity entered a written contract as defined by UTAH ADMIN. CODE R156-38a-102 (15) and required by UTAH CODE ANN. § 38-11-204 (4) (a) prior to the commencement of the qualified services because of the lack of a written acceptance. Thus, the homeowner did not satisfy the requirement to have entered into a written contract prior to the performance of qualified services set forth in UTAH CODE ANN. § 38-11-204 (4) (a) and the application should be denied as stated in the report.

Exhibit A

Receipt & Check

Exhibit B

Lien

When Recorded, Mail To:
Staker & Parson Companies
P.O. Box 3429
Ogden, Utah 84409-1429
(801) 520-4500

Page 1 of 2
Chad Montgomery Box Elder County Utah Recorder
11/21/2012 12:23:37 PM Fee \$12.00
By ASSURANCE LIEN SERVICES
Electronically Recorded By SIMPLIFILE LC E-RECORDING

NOTICE OF LIEN

TO WHOM IT MAY CONCERN:

The undersigned claimant hereby gives notice of intention to hold and claim a lien and hereby claims a lien upon that certain property and improvements thereon reputed to be owned by **BURT C KUNZLER, TTEE ETAL, PO BOX 735, PARK VALLEY, UTAH 84329**, and located in BOX ELDER County, State of Utah, and more particularly described as follows: *Legal Description:* 07-060-0021

SEE ATTACHMENT A

The amount demanded hereby is \$1368.70, the total amount of material and/or labor + Finance Charges + Filing Fee + Attorney Fees, owing to the undersigned on the above-described property. Staker & Parson Companies, supplied and performed the same at the insistence of THE CONCRETE SPECIALISTS/EDGEPRO CONCRETE, who entered into a contract with Staker & Parson Companies, for which work and/or materials were first provided on 7/25/2012 and finished on 7/25/2012. The unpaid portion of the work and materials is now due and owing to Staker & Parson Companies, which entitles the undersigned to payment of \$1368.70, for which demand the undersigned holds and claims a lien by virtue of the provisions of Chapter 1a, Title 38, Utah Code (1953). The Lien Claimant is identified as Staker & Parson Companies, P.O. Box 3429, Ogden, Utah 84409-3429, (801) 520-4500.

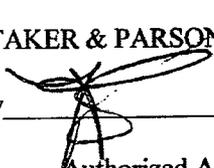
PROTECTION AGAINST LIENS AND CIVIL ACTIONS: Notice is hereby provided in accordance with Section 38-11-108 of the Utah Code that under Utah law an "owner" may be protected against liens being maintained against an "owner-occupied residence" and from other civil action being maintained to recover monies owed "qualified services" performed or provided by suppliers and subcontractors as a part of this contract, if and only if the following conditions are satisfied:

1. The owner entered into a written contract with either a real estate developer or an original contractor;
2. The original contractor was properly licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act at the time of the contract; and
3. The owner paid in full the original contractor or real estate developer or their successors or assigns in accordance with the written contract and any written or oral amendments to the contract.

IN WITNESS THEREOF, the Undersigned Corporation has caused the document to be executed by its duly authorized agent the 21 day of NOV, 2012

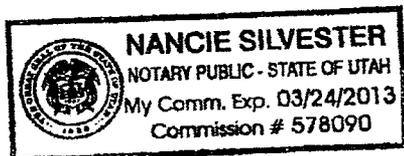
STAKER & PARSON COMPANIES

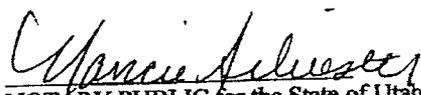
By


Authorized Agent

STATE OF UTAH)
 : SS.
COUNTY Of Davis)

Kelly Silvester being first duly sworn, says that he is the Authorized Agent of STAKER & PARSON COMPANIES, the claimant in the foregoing Notice of Lien, and that he has read said notice and knows the contents thereof, and that the same is true of his own knowledge and executes same on behalf of said company. Subscribed and sworn to before me this 21 day of November 2012




NOTARY PUBLIC for the State of Utah
Residing at: Centerville, Utah
My Commission Expires: 3/24/ 2013

07-060-0021

BEGINNING ON THE NORTH RIGHT-OF-WAY LINE OF STATE HIGHWAY AT A POINT 1142.80 FEET S 00°10'07" W ALONG SECTION FENCE LINE AND 595.90 FEET EAST FROM THE WEST QUARTER CORNER OF SECTION 26, T 13 N, R 14 W, SLB&M AND RUNNING THENCE N 00°15'45" E 1050.24 FEET; THENCE N 89°24'50" E 723.98 FEET TO A FENCE; THENCE S 00°15'45" W 887.21 FEET ALONG FENCE; THENCE N 74°55'58" W 140.86 FEET ALONG FENCE; THENCE S 07°17'33" W 333.73 FEET ALONG FENCE; THENCE N 71°26'35" W 149.28 FEET; THENCE N 76°12'01" W 26.71 FEET TO THE SOUTHEAST CORNER OF COUNTY ROAD; THENCE ALONG THE COUNTY ROAD BOUNDARY THE FOLLOWING 12 COURSES AS PER TAX PARCEL NO. 07-060-0016 ROTATED TO THE FOLLOWING COURSES: (1) N 12°46'16" E 25.86 FEET (RECORD 25.00 FEET), (2) 97.44 FEET ALONG

THE ARC OF A 982.75 FOOT RADIUS CURVE TO THE RIGHT WITH CHORD OF 97.40 FEET BEARING N 15°36'41" E, (3) N 18°27'07" E 174.07 FEET, (4) 106.10 FEET ALONG THE ARC OF A 395.79 FOOT RADIUS CURVE TO THE LEFT WITH CHORD OF 105.78 FEET BEARING N 10°46'19" E, (5) N 03°05'32" E 146.37 FEET, (6) 223.98 FEET ALONG THE ARE OF A 50 FOOT RADIUS CURVE TO THE LEFT WITH CHORD OF 78.44 FEET BEARING S 54°45'41" W, (7) 20.07 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS TO THE RIGHT WITH CHORD OF 18.61 FEET BEARING S 35°14'19" E, (8) S 03°05'32" W 83.13 FEET, (9) 92.70 FEET ALONG THE ARC OF A 345.79 FOOT RADIUS CURVE TO THE RIGHT WITH CHORD OF 92.42 FEET BEARING S 10°46'19" W, (10) S 18°27'07" W 173.98 FEET, (11) 102.44 FEET ALONG THE ARC OF A 1032.75 FOOT RADIUS CURVE TO THE LEFT WITH CHORD OF 102.40 FEET BEARING S 15°36'46" W, (12) S 12°46'16" W 25.00 FEET TO THE NORTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY AND SOUTHWEST CORNER OF SAID TAX PARCEL NO. 07-060-0016; THENCE ALONG SAID RIGHT-OF-WAY LINE N 78°44'04" W 223.67 FEET; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE N 82°33'48" W 111.88 FEET TO THE POINT OF BEGINNING. CONTAINING 16.77 ACRES, MORE OR LESS.

Application Report

Property ID: STECHA001

Application Examined by: Dane

Homeowner Application

October 8, 2013

Homeowner: S. Paul Chambers

Original Contractor: Steven McBride

License Number: 249201-5501

License Issue Date: 6/9/1989

Type: Licensed Contractor

License End Date: 11/30/2013

Abstract and Recommendation

Division's Recommendation: Deny

Having reviewed evidence submitted by the homeowner, it is the Division's opinion that the evidence submitted fails to meet the homeowner's burden of proof. Specifically, the Division finds that the homeowner failed to meet the statutory requirement of written contract as required by UTAH CODE ANN. § 38-11-204 (4) (a). For this reason, the Division recommends the application be denied.

Utah Code Ann. § 38-11-204 (3) & (4) (a) require:

To obtain a certificate of compliance an owner ... shall establish that ...the owner of the owner-occupied residence or the owner's agent entered into a written contract with an original contractor licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act:

The homeowner listed in the application that the agreement was verbal (*Exhibit A*).

Thus, the evidence establishes that the homeowner and contracting entity did not enter into a written contract as required by UTAH CODE ANN. § 38-11-204 (4) (a) and the application should be denied as stated in the report.

Exhibit A

Page 4 of
Application

Written Contract:

Did you enter into a written contract? Check one

Yes. Attach a copy of the contract to this application

No. Explain: A verbal agreement was made on or about Oct 1, 2012 for Steven to remove old shingles, install new shingles and clean-up after the work was done

Required documentation of licensure or exemption from licensure:

Check which section best describes your situation & attach the supporting documentation:

Contracted with a licensed contractor:

① Attach evidence your contractor was licensed

Contracted with an exempt contractor:

① Attach evidence your contractor was exempt from licensure

Contracted with a real estate developer:

① Attach evidence the developer had ownership interest in the property

② Attach evidence the developer offered the residence for sale to the public

③ Attach a copy of the contract between the developer and a licensed contractor

Contracted with a contractor real estate developer:

① Attach evidence the contractor developer had ownership interest in the property

② Attach evidence the contractor developer offered the residence for sale to the public

③ Attach evidence the contractor developer was a licensed contractor

Payment in Full:

Did you pay your original contractor in full according to the terms of the written contract and any modifications to that contract?

Yes. Attach documents demonstrating payment

No. Explain: _____

Applications for Payment

Recommended for Approval
- No Explanation Required -

Claim Report

Informal Claim

Claim Number LRF-2013-0821-01

October 1, 2013

Claim Examined by: Dane

Claimant: Thomas Pipeline inc

LRF Registration #:	Registration Date:	Expiration Date:
Contractor License #: 3083091	Issue Date: 2/24/2000	Expiration Date: 11/30/2013

Claimant Classification: Contractor

Claimant's Attorney: Benjamin D Johnson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577	NPP Classification: Specialty Contractor
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Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor	Contractor License #: 7806577
License Issuance Date: 01/13/2011	License End Date: 11/30/2013

Homeowner(s) Gail Sylva

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date Claimant Recorded Lien 6/14/2012

Evidence in support of date: Lien

Date Claimant file civil action or NPP filed bankruptcy: 10/3/2012

Evidence in support of date: Complaint

Number of days difference: 110

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 5/8/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

	<u>Claimed</u>	<u>Approved</u>	<u>Difference*</u>
Qualified Services: \$	2,828.00 \$	2,628.00 \$	-200.00
Pre-judgment Atty Fees:	424.20	394.20	-30.00
Pre-judgment Costs:	210.00	210.00	0.00
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	0.00	0.00	0.00
Interest:	159.51	159.59	0.08
Totals \$	3,621.71 \$	3,391.79 \$	-229.92

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Invoice

The invoice submitted establishes that the claimed amount of \$2,828 included \$200 in lien fees. Thus, the qualified services amount is \$2,628.

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$394.20

Evidence of pre-judgment costs: Judgment

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0821-01**

Terms of Sale: n30
 Claim Filing Date: 8/21/2013
 Payment Due Date: 1/1/2012
 Interest Rate per UCA 38-11-203(3)(c) 3.250%
 Daily Interest Rate 0.0089%

Total Interest Allowed per UCA 38-11-203(3)(c) \$ 159.59

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
1/1/2012	N	Payment due	\$ 2,628.00	2,628.00	0	\$ -
6/14/2012	N	Claimant filed lien on residence		2,628.00	165	38.61
10/3/2012	N	Claimant filed complaint against NPP		2,628.00	111	25.97
5/8/2013	N	Claimant obtained judgment against NPP		2,628.00	217	50.78
8/21/2013	N	Claimant filed application for payment		2,628.00	105	24.57
11/13/2013	N	Division director authorizes payment		2,628.00	84	19.66

Claim Report

Informal Claim

Claim Number LRF-2013-0827-01

October 28, 2013

Claim Examined by: Dane

Claimant: Air Design Heating & Cooling LLC

LRF Registration #: Registration Date: 6/24/1999 Expiration Date:

Contractor License #: 4870939 Issue Date: 7/26/2001 Expiration Date:

Claimant Classification: Contractor

Claimant's Attorney: David R Nielson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577 NPP Classification: Specialty Contractor

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor Contractor License #: 7806577

License Issuance Date: 01/13/2011 License End Date: 11/30/2013

Homeowner(s) David & Lesa Stevens

Abstract and Recommendation

Division's recommended disposition: Approve Full Payment

Detailed Analysis and Findings of Facts

Date of Final Completion of Contract 9/13/2012

Evidence in support of date: C of O

Date Claimant file civil action or NPP filed bankruptcy: 2/22/2013

Evidence in support of date: Complaint

Number of days difference: 161

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 4/30/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

	<u>Claimed</u>	<u>Approved</u>	<u>Difference*</u>
Qualified Services: \$	2,565.00	\$ 2,565.00	\$ 0.00
Pre-judgment Atty Fees:	384.63	384.75	0.12
Pre-judgment Costs:	56.34	56.34	0.00
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	5.29	5.29	0.00
Interest:	122.33	140.75	18.42
Totals \$	3,133.59	\$ 3,152.13	\$ 18.54

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Judgment

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$384.75

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees:

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0827-01**

Terms of Sale: N30
 Claim Filing Date: 8/27/2013
 Payment Due Date: 12/22/2011
 Interest Rate per UCA 38-11-203(3)(c) 3.250%
 Daily Interest Rate 0.0089%

Total Interest Allowed per UCA 38-11-203(3)(c) \$ 140.75

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
12/22/2011	N	Payment due	475.00	475.00	0	\$ -
3/19/2012	N	Payment due	2,090.00	2,565.00	88	3.72
9/13/2012	N	Project completion date		2,565.00	178	40.65
2/22/2013	N	Claimant filed complaint against NPP		2,565.00	162	37.00
4/30/2013	N	Claimant obtained judgment against NPP		2,565.00	67	15.30
8/27/2013	N	Claimant filed application for payment		2,565.00	119	27.18
10/21/2013	Y	Application conditionally denied		2,565.00	55	12.56
10/25/2013	N	Claimant responded to conditional denial		2,565.00	4	-
11/13/2013	N	Division director authorizes payment		2,565.00	19	4.34

Allocation Schedule
LRF-2013-0827-01
October 28, 2013

Gross Qualified Services for all Related Properties	18,434.00	(1)
Gross Qualified Services for Claim	2,565.00	(2)
Allocation Ratio for Claim Items	0.1391	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	4,230.00	(4)
Costs	405.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs	38.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	588.39	(9)=(4)×(3)
Pre-Judgment Costs	56.34	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	5.29	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2013-0827-02

October 28, 2013

Claim Examined by: Dane

Claimant: Air Design Heating & Cooling LLC

LRF Registration #: Registration Date: 6/24/1999 Expiration Date:

Contractor License #: 4870939 Issue Date: 7/26/2001 Expiration Date:

Claimant Classification: Contractor

Claimant's Attorney: David R Nielson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577 NPP Classification: Specialty Contractor

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor Contractor License #: 7806577

License Issuance Date: 01/13/2011 License End Date: 11/30/2013

Homeowner(s) Bryan Anderson

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date of Final Completion of Contract 7/12/2012

Evidence in support of date: C of O

Date Claimant file civil action or NPP filed bankruptcy: 2/22/2013

Evidence in support of date: Complaint

Number of days difference: 224

Did Claimant obtain judgment against NPP?

Date Claimant obtained judgment or NPP filed for bankruptcy 4/30/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

	<u>Claimed</u>	<u>Approved</u>	<u>Difference*</u>
Qualified Services: \$	970.00 \$	970.00 \$	0.00
Pre-judgment Atty Fees:	145.44	145.50	0.06
Pre-judgment Costs:	21.31	21.30	-0.01
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	2.00	2.00	0.00
Interest:	46.26	38.72	-7.54
Totals \$	1,185.01 \$	1,177.52 \$	-7.49

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Judgment

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$145.50

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees:

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0827-02**

Terms of Sale: N30
 Claim Filing Date: 8/27/2013
 Payment Due Date: 12/22/2011
 Interest Rate per UCA 38-11-203(3)(c) 3.250%
 Daily Interest Rate 0.0089%

Total Interest Allowed per UCA 38-11-203(3)(c) \$ 38.72

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
6/10/2012	N	Payment due	\$ 600.00	600.00	0	\$ -
6/25/2012	N	Payment due	125.00	725.00	15	0.80
2/22/2013	N	Claimant filed complaint against NPP		725.00	242	15.62
3/1/2013	N	Payment due	245.00	970.00	7	0.45
4/30/2013	N	Claimant obtained judgment against NPP		970.00	60	5.18
8/27/2013	N	Claimant filed application for payment		970.00	119	10.28
10/21/2013	Y	Application conditionally denied		970.00	55	4.75
10/25/2013	N	Claimant responded to conditional denial		970.00	4	-
11/13/2013	N	Division director authorizes payment		970.00	19	1.64

Allocation Schedule
 LRF-2013-0827-02
 October 28, 2013

Gross Qualified Services for all Related Properties	18,434.00	(1)
Gross Qualified Services for Claim	970.00	(2)
Allocation Ratio for Claim Items	0.0526	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	4,230.00	(4)
Costs	405.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs	38.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	222.50	(9)=(4)×(3)
Pre-Judgment Costs	21.30	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	2.00	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2013-0827-03

October 29, 2013

Claim Examined by: Dane

Claimant: Air Design Heating & Cooling LLC

LRF Registration #: Registration Date: 6/24/1999 Expiration Date:

Contractor License #: 4870939 Issue Date: 7/26/2001 Expiration Date:

Claimant Classification: Contractor

Claimant's Attorney: David R Nielson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577 NPP Classification: Specialty Contractor

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor Contractor License #: 7806577

License Issuance Date: 01/13/2011 License End Date: 11/30/2013

Homeowner(s) Bryon & Brandy Hanna

Abstract and Recommendation

Division's recommended disposition: Approve Full Payment

Detailed Analysis and Findings of Facts

Date of Final Completion of Contract 6/1/2012

Evidence in support of date: C of O

Date Claimant file civil action or NPP filed bankruptcy: 2/22/2013

Evidence in support of date: Complaint

Number of days difference: 265

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 4/30/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

	<u>Claimed</u>	<u>Approved</u>	<u>Difference*</u>
Qualified Services: \$	4,064.00	\$ 4,064.00	\$ 0.00
Pre-judgment Atty Fees:	609.42	609.60	0.18
Pre-judgment Costs:	89.26	89.30	0.04
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	8.38	8.38	0.00
Interest:	193.83	225.44	31.61
Totals \$	4,964.89	\$ 4,996.72	\$ 31.83

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Judgment

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$609.60

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees: Other (see comments)

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0827-03**

Terms of Sale:
 Claim Filing Date:
 Payment Due Date:
 Interest Rate per UCA 38-11-203(3)(c)
 Daily Interest Rate

Total Interest Allowed per UCA 38-11-203(3)(c)

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
2/10/2012	N	Payment due	\$ 4,064.00	4,064.00	0	\$ -
6/1/2012	N	Project completion date		4,064.00	112	40.53
2/22/2013	N	Claimant filed complaint against NPP		4,064.00	266	96.26
4/30/2013	N	Claimant obtained judgment against NPP		4,064.00	67	24.24
8/27/2013	N	Claimant filed application for payment		4,064.00	119	43.06
10/21/2013	N	Application conditionally denied		4,064.00	55	19.90
10/25/2013	Y	Claimant responded to conditional denial		4,064.00	4	1.45
11/13/2013	N	Division director authorizes payment		4,064.00	19	-

\$ 225.44

N30
 8/27/2013
 12/22/2011
 3.250%
 0.0089%

Allocation Schedule
LRF-2013-0827-03
October 28, 2013

Gross Qualified Services for all Related Properties	18,434.00	(1)
Gross Qualified Services for Claim	4,064.00	(2)
Allocation Ratio for Claim Items	0.2205	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	4,230.00	(4)
Costs	405.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs	38.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	932.72	(9)=(4)×(3)
Pre-Judgment Costs	89.30	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	8.38	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2013-0827-04

October 28, 2013

Claim Examined by: Dane

Claimant: Air Design Heating & Cooling LLC

LRF Registration #: Registration Date: 6/24/1999 Expiration Date:

Contractor License #: 4870939 Issue Date: 7/26/2001 Expiration Date:

Claimant Classification: Contractor

Claimant's Attorney: David R Nielson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577 NPP Classification: Specialty Contractor

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor Contractor License #: 7806577

License Issuance Date: 01/13/2011 License End Date: 11/30/2013

Homeowner(s) Morgan Humphries

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date of Final Completion of Contract 12/19/2012

Evidence in support of date: C of O

Date Claimant file civil action or NPP filed bankruptcy: 2/22/2013

Evidence in support of date: Complaint

Number of days difference: 64

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 4/30/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

	<u>Claimed</u>	<u>Approved</u>	<u>Difference*</u>
Qualified Services: \$	6,144.00	\$ 6,144.00	\$ 0.00
Pre-judgment Atty Fees:	921.61	921.60	-0.01
Pre-judgment Costs:	134.99	134.99	0.00
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	12.67	12.67	0.00
Interest:	293.12	247.76	-45.36
Totals \$	7,506.39	\$ 7,461.02	\$ -45.37

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Judgment

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$921.60

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees:

None Claimed

Explanation of post-judgment costs:

Receipt

Explanation of interest:

Interest calculated per Utah Code Ann. § 38-11-203(3)(c) in effect on date claim was filed. See attached schedule for details of interest calculations.

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0827-04**

Terms of Sale: N30
 Claim Filing Date: 8/27/2013
 Payment Due Date: 8/9/2012
 Interest Rate per UCA 38-11-203(3)(c) 3.250%
 Daily Interest Rate 0.0089%

Total Interest Allowed per UCA 38-11-203(3)(c) \$ 247.76

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
8/9/2012	N	Payment due	\$ 5,744.00	5,744.00	0	\$ -
10/11/2012	N	Payment due	400.00	6,144.00	63	32.22
12/19/2012	N	Project completion date		6,144.00	69	37.75
2/22/2013	N	Claimant filed complaint against NPP		6,144.00	65	35.56
4/30/2013	N	Claimant obtained judgment against NPP		6,144.00	67	36.65
8/27/2013	N	Claimant filed application for payment		6,144.00	119	65.10
10/21/2013	Y	Application conditionally denied		6,144.00	55	30.09
10/25/2013	N	Claimant responded to conditional denial		6,144.00	4	-
11/13/2013	N	Division director authorizes payment		6,144.00	19	10.39

Allocation Schedule
LRF-2013-0827-04
October 28, 2013

Gross Qualified Services for all Related Properties	18,434.00	(1)
Gross Qualified Services for Claim	6,144.00	(2)
Allocation Ratio for Claim Items	0.3333	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	4,230.00	(4)
Costs	405.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs	38.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	1,409.86	(9)=(4)×(3)
Pre-Judgment Costs	134.99	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	12.67	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2013-0827-05

October 28, 2013

Claim Examined by: Dane

Claimant: Air Design Heating & Cooling LLC

LRF Registration #: Registration Date: 6/24/1999 Expiration Date:

Contractor License #: 4870939 Issue Date: 7/26/2001 Expiration Date:

Claimant Classification: Contractor

Claimant's Attorney: David R Nielson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577 NPP Classification: Specialty Contractor

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor Contractor License #: 7806577

License Issuance Date: 01/13/2011 License End Date: 11/30/2013

Homeowner(s) Thayne High

Abstract and Recommendation

Division's recommended disposition: Approve Full Payment

Detailed Analysis and Findings of Facts

Date of Final Completion of Contract 10/16/2012

Evidence in support of date: C of O

Date Claimant file civil action or NPP filed bankruptcy: 2/22/2013

Evidence in support of date: Complaint

Number of days difference: 128

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 4/30/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

		<u>Claimed</u>		<u>Approved</u>		<u>Difference*</u>
Qualified Services:	\$	4,691.00	\$	4,691.00	\$	0.00
Pre-judgment Atty Fees:		703.73		703.65		-0.08
Pre-judgment Costs:		103.07		103.07		0.00
Post-judgment Atty Fees:		0.00		0.00		0.00
Post-judgment Costs:		9.67		9.67		0.00
Interest:		223.82		298.65		74.83
Totals	\$	5,731.29	\$	5,806.04	\$	74.75

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Judgment

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$703.65

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees:

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0827-05**

Terms of Sale: N30
 Claim Filing Date: 8/27/2013
 Payment Due Date: 11/10/2011
 Interest Rate per UCA 38-11-203(3)(c) 3.250%
 Daily Interest Rate 0.0089%

Total Interest Allowed per UCA 38-11-203(3)(c) \$ 298.65

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
11/10/2011	N	Payment due	\$ 4,691.00	4,691.00	0	\$ -
10/16/2012	N	Project completion date		4,691.00	341	142.43
2/22/2013	N	Claimant filed complaint against NPP		4,691.00	129	53.88
4/30/2013	N	Claimant obtained judgment against NPP		4,691.00	67	27.99
8/27/2013	N	Claimant filed application for payment		4,691.00	119	49.71
10/21/2013	N	Application conditionally denied		4,691.00	55	22.97
10/25/2013	Y	Claimant responded to conditional denial		4,691.00	4	1.67
11/13/2013	N	Division director authorizes payment		4,691.00	19	-

Allocation Schedule
LRF-2013-0827-05
October 28, 2013

Gross Qualified Services for all Related Properties	18,434.00	(1)
Gross Qualified Services for Claim	4,691.00	(2)
Allocation Ratio for Claim Items	0.2545	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	4,230.00	(4)
Costs	405.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs	38.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	1,076.54	(9)=(4)×(3)
Pre-Judgment Costs	103.07	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	9.67	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2013-0926-01

November 5, 2013

Claim Examined by: New

Claimant: Thomas Pipeline inc

LRF Registration #:	Registration Date:	Expiration Date:
Contractor License #: 3083091	Issue Date: 2/24/2000	Expiration Date: 11/30/2013

Claimant Classification: Contractor

Claimant's Attorney: Benjamin D Johnson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577 NPP Classification: Specialty Contractor

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor Contractor License #: 7806577

License Issuance Date: 01/13/2011 License End Date: 11/30/2013

Homeowner(s) Brett & Melanie Smith

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date Claimant Recorded Lien 6/14/2012

Evidence in support of date: Lien

Date Claimant file civil action or NPP filed bankruptcy: 10/3/2012

Evidence in support of date: Complaint

Number of days difference: 110

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 5/1/2013

Evidence in support of date: Judgment

Is Claimant a qualified beneficiary? Yes

Did Homeowner enter into a written contract with Original Contractor for the performance of qualified services? Yes

Evidence of a written contract Certificate of Compliance

Was Original Contractor Licensed on contract date? Yes

Did Homeowner pay Original Contractor in full? Yes

Evidence of full payment: Certificate of Compliance

Does residence qualify as "owner-occupied"? Yes

Evidence of Owner Occupancy: Certificate of Compliance

Did Claimant provide qualified services? Yes

Evidence of qualified services: Invoice

Was NPP Licensed? Yes

Did NPP pay Claimant for qualified services? No

Evidence of nonpayment: Judgment

Did Claimant exhaust collection remedies? Yes

Payment Checklist

		<u>Claimed</u>		<u>Approved</u>		<u>Difference*</u>
Qualified Services:	\$	10,727.00	\$	10,727.00	\$	0.00
Pre-judgment Atty Fees:		1,556.30		1,547.04		-9.26
Pre-judgment Costs:		335.75		333.75		-2.00
Post-judgment Atty Fees:		0.00		0.00		0.00
Post-judgment Costs:		78.21		77.74		-0.47
Interest:		690.53		685.79		-4.74
Totals	\$	13,387.79	\$	13,371.32	\$	-16.47

* Positive differences denote amounts approved in excess of amounts claimed; negative differences denote amounts denied.

Evidence of qualified services amount: Invoice

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$1,609.05

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees:

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0926-01**

Terms of Sale: N30
 Claim Filing Date: 9/26/2013
 Payment Due Date: 11/26/2011
 Interest Rate per UCA 38-11-203(3)(c) 3.250%
 Daily Interest Rate 0.0089%

Total Interest Allowed per UCA 38-11-203(3)(c) \$ 685.79

<u>Event Date</u>	<u>Stop Interest?</u>	<u>Event Description</u>	<u>Changes to Qualified Service Balance</u>	<u>Qualified Service Balance</u>	<u>Number of Days Since Last Event</u>	<u>Interest Accrued Since Last Event</u>
11/26/2011	N	Payment due	\$ 8,560.00	8,560.00	0	-
11/26/2011	N	Payment due	2,167.00	10,727.00	0	-
6/14/2012	N	Claimant filed lien on residence		10,727.00	201	191.98
10/3/2012	N	Claimant filed complaint against NPP		10,727.00	111	106.02
5/1/2013	N	Claimant obtained judgment against NPP		10,727.00	210	200.58
9/26/2013	N	Claimant filed application for payment		10,727.00	148	141.36
11/13/2013	N	Division director authorizes payment		10,727.00	48	45.85

Allocation Schedule
LRF-2013-0926-01
November 4, 2013

Gross Qualified Services for all Related Properties	13,660.00	(1)
Gross Qualified Services for Claim	10,727.00	(2)
Allocation Ratio for Claim Items	0.7853	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	1,970.00	(4)
Costs	425.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs	99.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	1,547.04	(9)=(4)×(3)
Pre-Judgment Costs	333.75	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	77.74	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)