

MEMORANDUM

To: Utah Residence Lien Recovery Fund Advisory Board
From: Lien Recovery Fund Staff
Date: February 6, 2014
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, February 12, 2014** 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.

MINUTES

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

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

CONVENED: 8:18

ADJOURNED : 8:30

Board Members Present:

Bradley Stevens, Chair
Jeff Richards
Douglas Darrington
Jeff Park
Dave McArthur

Board Members Absent:

Patty Fullmer, Vice Chair
Calvin Bowen

DOPL Staff Present:

Division Director, Mark Steinagel
Program Manager, Dane Ishihara
Fund Secretary, Tracy Naff

Guests:

James & Carolyn Rideout

TOPICS FOR DISCUSSION

DECISIONS AND RECOMMENDATIONS

ADMINISTRATIVE BUSINESS:

Review and approve minutes from the November 13, 2013 Board meeting.

Mr Richards made a motion to approve the November 13, 2013 Board minutes. Mr McArthur seconded the motion. Motion passed by unanimous vote.

Homeowner applications for Review

1. Recommended for Denial & Explanation Required

- a) ASHRID001 James & Carolyn Rideout v Ashley Drywall Inc - Mr Ishihara gave a brief explanation of the application. Mrs Rideout provided new evidence of acceptance to the written contract. Mr Darrington made a motion to approve the application. Mr Richards seconded the motion. Motion passed by unanimous vote.

Claims for Review

1. Recommended for Approval & No Explanation Required

- a) LRF-2013-1009-01 BMC West Corporation dba BMC Select v SMA Enterprises Inc dba Elite Builder Group (Sylva) - Mr Richards made a motion to approve the application. Mr Park seconded the motion. Motion passed by unanimous vote.

Recommended for Denial & Explanation Required

- a) LRF-2012-1019-01 Allred's Inc v Jake's Heating & Air Conditioning Inc (Smith) - Application was tabled.
- b) LRF-2012-1019-03 Allred's Inc v Jake's Heating & Air Conditioning Inc (Mortimer) - Application was tabled.
- c) LRF-2012-1019-04 Allred's Inc v Jake's Heating & Air Conditioning Inc (Baldwin) - Application was tabled.
- d) LRF-2012-1019-05 Allred's Inc v Jake's Heating & Air Conditioning Inc (Habitat for Humanity) - Application was tabled.
- e) LRF-2012-1019-06 Allred's Inc v Jake's Heating & Air Conditioning Inc (Hall) - Application was tabled.
- f) LRF-2012-1019-07 Allred's Inc v Jake's Heating & Air Conditioning Inc (Schumann) - Application was tabled.
- g) LRF-2012-1019-09 Allred's Inc v Jake's Heating & Air Conditioning Inc (Anderson) - Application was tabled.

ADJOURN:

Meeting adjourned 8:30

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

Applications for Certificate of Compliance Disposition Report

February 6, 2014

Processing Status	Active Pending Action By	Disposition	Number of Apps	
Active	Board		2	0.1%
Active	Homeowner		4	0.2%
Active	LRF		50	2.7%
Closed		Approved	1134	62.0%
Closed		Denied	554	30.3%
Closed		Withdrawn	74	4.0%
Prolonged			10	0.5%
Total Applications Filed			1,828	

Claim Disposition Report

February 6, 2014

Processing Status	Active Pending Action By	Disposition	Number of Claims	
Active	Board		6	0.2%
Active	Claimant		6	0.2%
Closed		Denied	562	20.0%
Closed		Dismissed	243	8.7%
Closed		Paid	1,976	70.4%
Prolonged			12	0.4%
Total Claims Filed			2,805	

Summary of Payments

Sorted by Claimant Type

February 6, 2014

Claimant Type	Number of Paid Claims	Total Payments	
Contractor	826	4,682,528.21	37.9%
Laborer	10	17,070.17	0.1%
Other	1	3,001.75	0.0%
Supplier	1139	7,643,403.52	61.9%
Total Paymen	1976	\$12,346,003.66	100.0%

Summary of Payments

Sorted by Nonpaying Party Type

February 6, 2014

Nonpaying Party Type	Number of Paid Claims	Total Payments	
Home Builder	1217	7,800,341.00	63.2%
Other	25	179,357.47	1.5%
Real Estate Developer	72	462,183.51	3.7%
Specialty Contractor	662	3,904,121.68	31.6%
Total Payments	1976	\$12,346,003.66	100.0%

CERTIFICATE OF COMPLIANCE

RECOMMENDED FOR APPROVAL

- EXPLANATION REQUIRED-

Application Report
Property ID: CWCCA001
Application Examined by: Dane

Homeowner Application
February 5, 2014

Homeowner: John Cavender ("Cavender")

Original Contractor: C W Construction LLC ("CW")

License Number: 5724944

License Issue Date: 9/28/2011

Type: Licensed Contractor

License End Date: 11/30/2013

Abstract and Recommendation

Division's Recommendation: Approve

After reviewing Cavender's and CW's evidence, 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.

Factual Review and Analysis

CW is disputing Cavender's application claiming that the contract has not been paid in full. CW claims that there were issues with the final draw and that there is an outstanding balance of \$43,411.97 (*Exhibit B*).

Cavender claims that \$400,018.78 was paid towards the contract and that the payment in full requirement has been satisfied (*Exhibit C*).

Division's Analysis

- A. Head of written contract states that it is a "Fixed Price Contract." (*Exhibit A*)
- B. The Division finds that the contract amount is \$384,415.80. The contract lists the amount as \$395,160.80. However, there is a miscalculation in the "overhead" section of the contract. The line items total \$60,084.42, not the amount listed of \$70,829.42 (*Exhibit A*).
- C. Paragraph 16 of the contract states "*This Contract constitutes the complete and exclusive statement of the Contract between the Parties and supersedes all prior representations, understandings, and communications, oral or written, between the Parties relating to the subject matter therefor. Any changes to this Contract made by the Parties shall be invalid unless executed in a writing signed by both Parties' authorized representatives.*" The Division has not received any evidence that written

changes were made to the contract. Thus, the Division finds that the final contract amount is \$384,415.80.

Based on the above analysis the Division finds that the written contract amount is \$384,415.80. Thus, Cavender must establish that at least \$384,415.80 was paid to CW. The Division confirmed payments of \$388,873.44 related to the construction project (*Exhibit D*). The Divisions analysis was based on Cavender's initial evidence and the January 8, 2014 response (*Exhibit E*). Thus, the Division recommends that the application be approved.

Exhibit A

Contract

Fixed Price Contract

Date:

Owner:

Address:

City, State, Zip:

Project name:

This Agreement is made this 22nd day of Aug 2012 between (The Owner) Jennifer C. Swenson and C.W. Construction LLC (The Contractor). The Owner and Contractor agree to terms and conditions below:

1. The contractor accepts the relationship of trust and confidence established between himself, his company and the owner of the property by this agreement. He covenants with the owner to furnish his best skill and judgment in furthering the interest of the owner. He agrees to furnish efficient business administration and supervision and to use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in a most expeditious, economical and professional manner. He agrees to build the house as planned, as modified by the cost breakdown and this agreement, for the agreed-upon fixed price.
2. The work to be performed under this contract shall start on or about August 30th, 2012 (or such time as the City of Provo and Bank of American Fork have completed plan review and financing, respectively). The Contractor shall use his best efforts to complete the work for the improvements in a timely and professional manner.
3. The owner agrees to reimburse the contractor for the direct "cost of work" as defined in paragraph 6 below. Such reimbursement shall be in addition to the contractor's fee stipulated in Paragraph 4.
4. In Consideration of the performance of the contract, the owner agrees to pay the contractor as compensation for his services a fixed contractors fee of \$13,360.42

and a fixed Supervision fee of \$15,150.00 as indicated on the cost breakdown attached. Should the scope of work increase the fee may also increase by 10% of the additional work to be performed.

5. The scope of work shall consist of the "categories of work" described on the cost breakdown attached (along with the plans). The price on the cost breakdown (excluding those areas specifically labeled allowances) shall be binding on the contractor except when additional work or changes shall be requested by the home owner. In the event that the contractor is capable of procuring quality work in compliance with the plans (as amended by the cost breakdown and this agreement) for less than the amount listed on the cost breakdown, the contractor is entitled to keep the difference. In the event that the contractor is incapable of procuring quality work in compliance with the plans (as amended by the cost breakdown and this agreement) for the amount listed in the cost breakdown, the contractor is obligated to pay any amounts owing to the subcontractor(s) over and above the amounts provided in the cost estimate. The contractor expressly agrees that, in the event of a subcontractor or mechanics lien being placed upon the property because of any failure of his under this section, the owner may, at his sole discretion, pay the subcontractor and offset the amount paid by any amounts owing to the contractor under Paragraph 4. Contractor understands that this is a firm fixed price agreement, and there shall be no allowances or reimbursements unless specifically provided for in this agreement. Contractor agrees to fulfill its obligations under this agreement, regardless of cost, for the sole and sufficient compensation stated in Paragraph 4, above, with no expectation of additional compensation.
6. The term "cost of work" shall mean cost necessarily and reasonable incurred in the performance of the work and actually paid by the contractor incurred due to charges and extras not listed on the attached cost breakdown.
7. The Owner already has applied for a building permit. The contractor agrees that, because of regulations for the City of Provo, the contractor will be responsible for picking up the building permit for the project.

8. All portions that the contractor's employees cannot perform directly shall be preformed under a sub contractor. Unless owner chooses to in advance and in writing, all sub contractors shall be on a fixed price basis. Contractor is responsible for direct supervision of all subcontractors.
9. The contractor shall keep full and detailed accounts for proper financial management under this agreement. The owner shall be afforded access to all the contractor's records and invoices for all cost associated with project.
10. The owner agrees to pay a deposit in the amount of \$500 before work is to commence. Deposit shall be applied to contractors fee.
11. The contractor will provide a statement detailing cost incurred by the contractor for this project approximately monthly. Payment on invoices included in the statement is due within 5 days of receipt of the statement. The final payment shall be paid upon completion of the project. Payments will be done with a draw form the homeowner's construction loan. Payments will be made to the subcontractors directly unless otherwise arranged between the bank making payments from the loan and the contractor.
12. The contractor agrees to maintain all licenses and insurances during the course of work.
13. The contractor herby agrees to hold harmless and to indemnify the owner against any and all claims, which may arise during the course of work as a consequence of the negligent acts or deliberate omission of the contractor and its employees and or agents. The contractor is an independent contractor, and is not an agent or employee of the home owner.
14. The contractor will guarantee work performed under this contract for a time period of twelve months from the time of completion.
15. All Changes shall be done with written change order with contractor only. To ensure no miscommunications, all changes orders must be labeled as "Change Order". No subs or employees are able to agree to change orders.
16. This Contract constitutes the complete and exclusive statement of the Contract between the Parties and supersedes all prior representations, understandings, and communications, oral and written, between the Parties relating to the subject

matter thereof. Any changes to this Contract made by the Parties shall be invalid unless executed in a writing signed by both Parties' authorized representatives.

This contract shall be interpreted under the laws of the State of Utah.

17. No failure of either Party to exercise any power given hereunder or to insist upon strict compliance with any obligations specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any Party's right to demand strict compliance with the terms hereof.
18. Both parties recognize that time is of the essence. The home owner agrees to be available, responsive, provide timely feedback when decisions are needed, and to provide materials where allowances are made in a timely fashion. The contractor agrees to be available, responsive, provide timely notifications to the home owner when decisions need to be made, and ensure that his subcontractors do likewise. Both parties are aware that there are financing issues such that completion of the work in a four or six month timeframe is valuable, and agree to make best efforts to meeting those timeframes.
19. This contract is contingent upon home owner receiving two positive referrals from previous customers of contractor prior to work commencing. Home owner has the right to unilaterally terminate this contract up to the point where contractor begins working on the site in the event that positive referrals cannot be received or negative referrals are received. If home owner has not terminated this contract under this provision prior to contractor beginning work on the site, home owner will be presumed to have waived his rights under this provision.
20. All work on the project shall be done according to the requirements and specifications of the plans, except as changes are noted in this contract or the attached cost breakdown. The home plans have been modified from original plans to keep cost down. The following finishes have changed upon homeowners request, and these changes are reflected on the attached cost breakdown.
 1. Home will be all stucco and no stone or brick on the front. The foundation will be build large enough so the homeowner can add brick and stone on the foundation at a later date.

2. Home owner has eliminated the majority of can light and choose to go with basic overhead lighting.
3. Chateau finish is for all plumbing fixtures master bath has a large soaker tub. One water heater (50 gal).
4. As per plan main floor will partially unfinished.
5. Exterior drive way may be made out of asphalt instead of concrete. Home owner will be given the option of choosing concrete at the appropriate time in the project, along with the additional cost of a concrete driveway.
6. Large windows can be made into smaller units of a combined similar size and either mulled or framed to decrease the cost.
7. Flooring has a typical allowance that should not be exceeded.
8. No landscaping is included with bid.
9. Interior railing shall be paint grade. The exterior railing is for wrought iron on the cost breakdown but has the option to be changed to vinyl in order to save money.
10. Window wells are to be fiberglass cast with a rock wall stamp instead of concrete.
11. Additional requirements added to the retaining walls after the date of this contract shall be paid for in excess of the cost breakdown price. It is anticipated that they will include the installation of drains at the footings and gravel material along the back of several of the walls.

Exhibit B

CW Response

To Whom it May Concern,

The following is a rebuttal to Mr. Jonathan A. Cavander's request for lien recovery fund assistance.

The fixed contract was for the amount of 395,160.77 **not** \$322,706.09 See attached cost break down submitted by Johnathan Cavender.

The following are the draw amounts submitted to the bank:

Draw 1	\$43,265.00
Draw 2	\$68,498.14
Draw 3	\$31,457.84
Draw 4	\$46,667.69
Draw 5	\$47,346.24
Draw 6	\$49,003.00
TOTAL	\$317,695.75

The final draw is where there is a problem. The balance remaining is \$77,464.25 from the \$395,160.77.

I submitted on the final draw an invoice for \$61,986.78. This was the amount owed to my subs at final. In most cases, the bank cuts the checks either to all included in the final draw invoice, to the general contractor to pay all subs, or to the title company to pay all liens or balances owed on the property. The Bank, in this case, cut the check directly to home owners. Once the home owners had this balance, I had a difficult time getting subs paid. It took Mr. Cavender almost 60 days to pay some of my subs, and that was because subs started calling and sending my accounts to collections, so I gave them Mr. Cavenders phone number to attempt to collect from him directly since I had not received any invoice payments. He paid some of the subs at that point, but not all of them.

The following are the bills Mr. Cavendar paid from the final invoice:

T Samani (Concrete)	\$ 3,080.00
El Custom Siding (Stucco Soffit and Fascia)	\$ 10,900.00
Jensen Classic Woodworking (Cabinets)	\$ 4,842.00
Sunroc Building Material	\$ 15,752.92
Cove Mountain Electric	\$ 2,942.00
Deposit Cw Construction 8-23-12	\$ 500.00
Zion Upholstry (Flooring)	\$ 5,257.28

TOTAL	\$ 43,273.28
-------	--------------

Add Draw Payments from Bank	\$ 317,695.75
TOTAL PAID	\$ 360,969.03

This total does not include any of the extras which included:

Mr. Cavender was going to have the extra dirt dumped at his in-laws lot nearby, but the city would not allow it, so the dirt had to be hauled away.

Haul Off of Dirt	\$ 7,570.00
Garage Doors	\$ 278.00
Extra Windows	\$ 500.00
Door at top of stairs	\$ 600.00

The Fire place was never included in the original plans. It was unfinished.

Take the total amount of Contract	\$395,160.00
Amount Paid by Bank & Homeowner	-\$360,969.03
Extras	+\$ 8,948.00
Total Amount still owed	\$43,411.97

The rest of the subs who were not paid have filed liens on the property. They are:

Earth Tech (Geological Testing) which I have since paid and have not been reimbursed for.

Sunroc approximately \$8,000

Precision Airt (HVAC) \$3,400

Wheeler Machinery (Rental for moving dirt) \$4800 plus interest, late, and lien charges of \$1200. For a total owed to them of \$6000.

I have attempted to compromise with Mr. Cavender to pay balances owed for supplies and subcontractors and that would suffice; however, he told me he cannot pay. The interest and late charges on these balances in adding up which will continue to increase the amount owed.

When I first meet with the Cavenders and gave them a bid It was close to \$500,000.00 They informed me that they could not afford that so we looked over the cost break down and figured where we could get the cost down by omitting certain things. I came back with a new break down of around \$415,000.00 They then informed me the their limit was \$417,000, with all bank fees and closing cost included. The home that they were planning on building is not a typical build job. The home is on a very steep hillside with a lot of very detailed engineering. Because of this, I told them they would need to make

some additional cuts to keep the cost down. We continues to make cuts until the cost breakdown got to \$395,166.77. They understood that certain things would be altered to help keep cost down. They agreed and we commenced work. At the beginning, there was a problem. Provo City would not allow them to dump their dirt on the lot they had secured to do this. Another location was required. This was a fairly large unexpected additional expense. In addition, their closing had to be done at a certain time, and because of the harsh winter contitions that caused some unforeseeable and unpreventable delays. We rushed to get things ready for closing. I explained that I would tie up loose ends after closing and get what needed to be done first to allow them to close on time. After closing, I came to finish up when I was told that they would not pay for anything else. I told them I couldn't finish if they wouldn't pay. I also told them that I cannot ask subs to come do work they would not be paid for. Since before June, they have not paid the bills listed above. My accounts with subs and suppliers are and will be closed until their bills are paid. I rely on these accounts to continue to work. I have been paying these accounts down as I have been able to.

Thank you for your time. Much of what I have explained is included in the documents that Mr. Cavender submitted. If you have any specific questions or need anything further from me, please contact me and I will be happy to provide it.

Sincerely,

Cameron Whatcott
CW Construction LLC

Summary

I have attached copious documentation identifying the payments we have made, our agreement, and our compliance. In an effort to be thorough, I wanted to include everything but I also recognize that this much information can become difficult to sort through. So I wanted to take a brief moment to summarize what I have provided to aid in this review.

We had a fixed-price agreement with C W Construction whereby CW was to do certain work for us and we would pay a flat fee for that work. The understanding existed (and was recorded in a written contract which I have included) that if CW went over on a line item, CW was responsible while if CW went under on an item, CW was entitled to keep the excess.

The fixed-price portion of our contract was for \$322,706.09. This includes an additional \$7,570 for haul-off, \$278 for garage door upgrade, and \$3,297.37 for an improved fireplace. Although no written change orders were prepared for these changes, we agreed to them nonetheless and are fine honoring them. In payment for the fixed price items, we have paid \$329,829.10 for a net overpayment to our general contractor of \$7,123.01 (an issue we will have to take up with our general contractor outside of this application).

The contract was for \$395,160.00

The fireplace was unfinished and was done that way

The liens that have been filed are for insulation from Sunroc in the amount of \$12,940.58 for insulation and for engineering on a retaining wall for \$1,800.00 from Earthtec. We paid CW \$15,391.40 for the insulation work to be done on two separate invoices presented to us. This money was never paid over to Sunroc, however. Additionally, we paid CW \$8,608.60 for our retaining walls to CW, and CW chose to get the work from Earthtec done in order to reduce the amount he would have to pay for retaining walls. We paid the full amount, which necessarily included the Earthtec piece.

I talked w/ Cavenders about saving money on front retaining wall and they wanted to do the block wall also so I proceeded.

I have included a spreadsheet that details the line items as referenced by the contract, and detailing when and how we paid each (with evidences for each payment included). I have also attached similar evidences for the allowances portion of our contract. While it didn't seem relevant, I wanted to include it so that I could show that we had not gone over on allowances leaving our general obligated to pay money elsewhere. This spreadsheet conclusively shows that CW was (over-)paid for the work that they did as general contractor on our house and did not pay the subs according to our agreement (and, in the case of Sunroc, presented Sunroc's invoice as their own to divert payment away from the sub and to CW).

Because we had a written agreement, and the general contractor was paid in full, and the general contractor contracted with the subs, and the general contractor failed to pay the subs, and we have been occupying the property as our personal residence since we received a certificate of occupancy, we believe we qualify for a Certificate of Compliance and for the liens to be removed from our property and the subs to get recovery from the lien recovery fund.

Spreadsheet for Certificate of Compliance

CONTRACTED TO PAY:	\$322,706.09
Permits and Fees	\$17,150.00
Supervision	\$15,150.00
Contractor's Fees	\$13,360.42
Improve Lot with Utilities	\$12,000.00
Trash and Restroom	\$2,424.00
Excavation	\$10,510.50
Water	\$750.75
Sewer	\$750.75
Power	\$750.75
Gas	\$1,251.25
Back Fill and Haul Off Dirt (Cost we agreed to bear)	\$3,500.00
Footing and Foundation	\$7,570.00
	\$40,400.00
Damp Proofing	\$707.00
Window Wells	\$1,500.00
Underground Plumbing	\$1,101.10
Basement Slab	\$7,507.50
Garage Slab	\$2,189.89
Framing Material	\$26,664.00
Framing Labor	\$20,930.91
Trusses	\$7,507.50
Roofing Material and Labor	\$7,070.00
Windows	\$8,008.00
Exterior Doors	\$3,003.00
Garage Doors (Upgrade we agreed to)	\$3,232.00
HVAC	\$278.00
Soffit/Fascia	\$12,812.80
	\$1,010.00
Rain Gutters	\$1,636.20
Plaster Foundation	\$1,060.50
Stucco	\$10,605.00
Exterior Concrete	\$10,010.00
Sheetrock	\$16,665.00
Fireplace (Upgrade we agreed to)	\$1,717.00
	\$3,297.37
Finish Carpentry Material	\$8,585.00
Finish Carpentry Labor	\$5,277.25
Countertop	\$6,363.00
Mirrors	\$505.00
Bath/Shower Surrounds	\$2,777.50
Shower Door/Hardware	\$1,515.00
Interior Railing	\$3,232.00

AMOUNT PAID:	\$329,829.10
Item Total	\$14,804.66
Permits and Fees	\$14,804.66
Supervision	\$5,500.00
Contractor's Fees	\$5,500.00
Improve Lot with Utilities	\$0.00
Trash and Restroom	\$0.00
Excavation	\$22,937.11
Water	\$750.75
Sewer	\$750.75
Power	\$750.75
Gas	\$1,251.25
Back Fill and Haul Off Dirt	\$11,070.00
Footing and Foundation	\$57,533.09
Damp Proofing	\$707.00
Window Wells	\$1,500.00
Underground Plumbing	\$1,101.10
Basement Slab	\$10,369.50
Garage Slab	\$2,189.89
Framing Material	\$26,664.00
Framing Labor	\$20,500.00
Trusses	\$7,507.50
Roofing Material and Labor	\$7,000.00
Windows	\$10,037.74
Exterior Doors	\$3,003.00
Garage Doors	\$3,510.00
HVAC	\$8,664.00
Soffit/Fascia	\$3,400.00
Rain Gutters	\$0.00
Plaster Foundation	\$0.00
Stucco	\$12,500.00
Exterior Concrete	\$10,010.00
Sheetrock	\$16,665.00
Fireplace	\$5,014.34
Finish Carpentry Material	\$8,585.00
Finish Carpentry Labor	\$5,277.00
Countertop	\$6,363.00
Mirrors	\$0.00
Bath/Shower Surrounds	\$2,583.00
Shower Door/Hardware	\$237.00
Interior Railing	\$0.00

NET OWING:	(\$7,123.01)
Payments	\$14,604.66
paid out of pocket by homeowner	Check #2331
Paid 11/28/12 by bank draw	(Partial of \$5,362 payment)
Paid 2/12/13 by bank draw	(Labeled contingency)
\$500.00	Initial Deposit
\$5,000.00	Paid 3/4/13 by bank draw
\$0.00	(Included in Excavation, below)
\$0.00	(Included in Supervision, above)
\$8,250.00	Paid 11/05/12 by bank draw
\$2,028.84	Paid 11/28/12 by bank draw
\$231.88	Paid 1/22/13 by bank draw
\$11,100.00	Paid 1/22/13 by bank draw
	(Labeled contingency)
\$1,326.81	Paid 3/11/13 by bank draw
	(Labeled contingency)
\$750.75	Paid 1/22/13 by bank draw
\$750.75	Paid 1/22/13 by bank draw
\$750.75	Paid 1/22/13 by bank draw
\$871.17	Paid 12/21/12 by bank draw
\$380.08	Paid 12/21/12 by bank draw
\$3,500.00	Paid 11/05/12 by bank draw
\$7,570.00	Paid 11/05/12 by bank draw
\$8,000.00	Paid 11/05/12 by bank draw
\$34,400.00	Paid 11/28/12 by bank draw
\$13,000.00	Paid 11/28/12 by bank draw
\$4,133.09	Paid 1/22/13 by bank draw
	(Labeled contingency)
\$700.00	Paid 11/28/12 by bank draw
\$7.00	Paid 1/22/13 by bank draw
\$1,500.00	Paid 11/28/12 by bank draw
\$1,000.00	Paid 12/21/12 by bank draw
\$101.10	Paid 1/22/13 by bank draw
\$4,569.50	Paid 11/28/12 by bank draw
\$2,938.00	Paid 11/28/12 by bank draw
\$2,862.00	Paid 11/28/12 by bank draw
	(Partial of \$5,362 payment)
\$2,000.00	Paid 11/28/12 by bank draw
\$189.89	Paid 1/22/13 by bank draw
\$8,840.48	Paid 12/21/12 by bank draw
\$4,522.09	Paid 12/21/12 by bank draw
\$13,501.43	Paid 1/22/13 by bank draw
\$2,000.00	Paid 11/28/12 by bank draw
\$10,000.00	Paid 12/21/12 by bank draw
\$8,500.00	Paid 1/22/13 by bank draw
\$5,568.48	Paid 1/22/13 by bank draw
\$1,839.04	Paid 3/11/13 by bank draw
\$7,000.00	Paid 2/12/13 by bank draw
\$7,295.27	Paid 12/21/12 by bank draw
\$712.73	Paid 1/22/13 by bank draw
\$2,029.74	Paid 2/12/13 by bank draw
\$3,003.00	Paid 3/11/13 by bank draw
\$3,232.00	Paid 3/04/13 by bank draw
\$278.00	Paid 3/04/13 by bank draw
\$8,664.00	Paid 3/04/13 by bank draw
\$3,400.00	Paid out of pocket by homeowners
	Check #226 (includes gutters)
	(Included in Soffit, above)
\$5,000.00	Paid 3/04/13 by bank draw
\$7,500.00	Paid out of pocket by homeowners
	Check #226
\$10,010.00	Paid 3/11/13 by bank draw
\$6,000.00	Paid 2/12/13 by bank draw
\$10,665.00	Paid 3/04/13 by bank draw
\$1,717.00	Paid 3/04/13 by bank draw
\$3,297.34	Paid 3/11/13 by homeowner credit card
\$8,585.00	Paid 3/11/13 by bank draw
\$5,277.00	Paid 3/04/13 by bank draw
\$2,480.00	Paid 3/11/13 by bank draw
\$3,883.00	Paid 3/11/13 by bank draw
\$0.00	
\$2,583.00	Paid 3/11/13 by bank draw
\$237.00	Paid 3/11/13 by bank draw

used funds to pay architect instead

w/ funds from final draw

Never Had a finished fireplace

Allowances

BID	\$72,855.06
Finish Electrical Material	\$2,002.00
Finish Electrical Labor	\$5,630.63
Finish Plumbing Material	\$2,252.25
Finish Plumbing Labor	\$7,657.65
Insulation (Spray In Allowance)	\$18,895.28
Interior Paint	\$8,000.00
Kitchen Cabinets	\$8,000.00
Bath Vanity	\$1,212.00
Exterior Railing	\$7,070.00
Appliances	\$3,000.00
Travertine	\$2,727.00
Hardwood	\$2,727.00
Carpet	\$5,681.25

AMOUNT PAID:

Finish Electrical Material	\$1,243.37
Finish Electrical Labor	\$8,572.63
Finish Plumbing Material	\$3,100.00
Finish Plumbing Labor	\$5,600.00
Insulation (Spray In Allowance)	\$15,391.40
Interior Paint	\$5,775.00
Kitchen Cabinets	\$8,685.00
Bath Vanity	\$0.00
Exterior Railing	\$7,830.00
Appliances	\$2,788.00
Travertine	\$2,810.97
Hardwood	\$1,786.24
Carpet	\$5,588.07

\$70,189.88	NET OWING (\$2,665.38)
Item Total	Payments
\$1,243.37	\$1,243.37 Paid 2/12/13 by bank draw
\$8,572.63	\$5,630.63 Paid 2/12/13 by bank draw
	\$2,942.00 paid out of pocket by homeowner 4/20/13 by credit card
\$3,100.00	\$3,100.00 paid out of pocket by homeowner 4/17/2013 by credit card
\$5,600.00	\$5,600.00 Paid 2/12/13 by bank draw
\$15,391.40	\$12,000.00 Paid 2/12/13 by bank draw
	\$3,391.40 Paid 3/4/13 by bank draw
	(Both payments made to C W Construction)
\$5,775.00	\$5,775.00 Paid 3/11/12 by bank draw
\$8,685.00	\$4,842.50 Paid 2/12/13 by bank draw
	\$4,842.50 paid out of pocket by homeowner Check #9284
\$0.00	(Included in Kitchen Cabinets, above)
\$7,830.00	\$7,070.00 Paid 3/11/12 by bank draw
	\$760.00 Paid 3/11/12 by bank draw
\$2,788.00	\$2,788.00 Paid 1/4/13 by bank draw
\$2,810.97	\$1,278.97 Paid 1/22/13 by homeowner credit card
	\$300.00 Paid 2/11/13 by homeowner credit card
	\$326.08 Paid 2/15/13 by homeowner credit card
	\$905.91 Paid 3/5/13 by homeowner credit card
\$1,786.24	\$886.12 Paid 2/15/13 by homeowner credit card
	\$888.12 Paid 2/22/13 by homeowner credit card
\$5,588.07	\$5,257.28 paid out of pocket by homeowner
	\$328.79 Paid 2/13/13 by homeowner credit card

w/ funds from final draw

w/ funds from final draw

w/ fund from final draw

Home owner bought this themselves on their own w/o any of my assistance

Fixed Price Contract

Date:

Owner:

Address:

City, State, Zip:

Project name:

This Agreement is made this 22nd day of Aug, 2012 between (The Owner) Jennifer C. Anderson and C.W. Construction LLC (The Contractor). The Owner and Contractor agree to terms and conditions below:

1. The contractor accepts the relationship of trust and confidence established between himself, his company and the owner of the property by this agreement. He covenants with the owner to furnish his best skill and judgment in furthering the interest of the owner. He agrees to furnish efficient business administration and supervision and to use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in a most expeditious, economical and professional manner. He agrees to build the house as planned, as modified by the cost breakdown and this agreement, for the agreed-upon fixed price.
2. The work to be performed under this contract shall start on or about August 30th, 2012 (or such time as the City of Provo and Bank of American Fork have completed plan review and financing, respectively). The Contractor shall use his best efforts to complete the work for the improvements in a timely and professional manner.
3. The owner agrees to reimburse the contractor for the direct "cost of work" as defined in paragraph 6 below. Such reimbursement shall be in addition to the contractor's fee stipulated in Paragraph 4.
4. In Consideration of the performance of the contract, the owner agrees to pay the contractor as compensation for his services a fixed contractors fee of \$13,360.42

*all work and everything
that was supplied
went to build
their home*

and a fixed Supervision fee of \$15,150.00 as indicated on the cost breakdown attached. Should the scope of work increase the fee may also increase by 10% of the additional work to be performed.

5. The scope of work shall consist of the "categories of work" described on the cost breakdown attached (along with the plans). The price on the cost breakdown (excluding those areas specifically labeled allowances) shall be binding on the contractor except when additional work or changes shall be requested by the home owner. In the event that the contractor is capable of procuring quality work in compliance with the plans (as amended by the cost breakdown and this agreement) for less than the amount listed on the cost breakdown, the contractor is entitled to keep the difference. In the event that the contractor is incapable of procuring quality work in compliance with the plans (as amended by the cost breakdown and this agreement) for the amount listed in the cost breakdown, the contractor is obligated to pay any amounts owing to the subcontractor(s) over and above the amounts provided in the cost estimate. The contractor expressly agrees that, in the event of a subcontractor or mechanics lien being place upon the property because of any failure of his under this section, the owner may, at his sole discretion, pay the subcontractor and offset the amount paid by any amounts owing to the contractor under Paragraph 4. Contractor understands that this is a firm fixed price agreement, and there shall be no allowances or reimbursements unless specifically provided for in this agreement. Contractor agrees to fulfill its obligations under this agreement, regardless of cost, for the sole and sufficient compensation stated in Paragraph 4, above, with no expectation of additional compensation.

6. The term "cost of work" shall mean cost necessarily and reasonable incurred in the performance of the work and actually paid by the contractor incurred due to charges and extras not listed on the attached cost breakdown.

7. The Owner already has applied for a building permit. The contractor agrees that, because of regulations for the City of Provo, the contractor will be responsible for picking up the building permit for the project.

*These are all
cost incurred
In building
Residence*

- 8. All portions that the contractor's employees cannot perform directly shall be preformed under a sub contractor. Unless owner chooses to in advance and in writing, all sub contractors shall be on a fixed price basis. Contractor is responsible for direct supervision of all subcontractors.**
- 9. The contractor shall keep full and detailed accounts for proper financial management under this agreement. The owner shall be afforded access to all the contractor's records and invoices for all cost associated with project.**
- 10. The owner agrees to pay a deposit in the amount of \$500 before work is to commence. Deposit shall be applied to contractors fee.**
- 11. The contractor will provide a statement detailing cost incurred by the contractor for this project approximately monthly. Payment on invoices included in the statement is due within 5 days of receipt of the statement. The final payment shall be paid upon completion of the project. Payments will be done with a draw form the homeowner's construction loan. Payments will be made to the subcontractors directly unless otherwise arranged between the bank making payments from the loan and the contractor.**
- 12. The contractor agrees to maintain all licenses and insurances during the course of work.**
- 13. The contractor hereby agrees to hold harmless and to indemnify the owner against any and all claims, which may arise during the course of work as a consequence of the negligent acts or deliberate omission of the contractor and its employees and or agents. The contractor is an independent contractor, and is not an agent or employee of the home owner.**
- 14. The contractor will guarantee work performed under this contract for a time period of twelve months from the time of completion.**
- 15. All Changes shall be done with written change order with contractor only. To ensure no miscommunications, all changes orders must be labeled as "Change Order". No subs or employees are able to agree to change orders.**
- 16. This Contract constitutes the complete and exclusive statement of the Contract between the Parties and supersedes all prior representations, understandings, and communications, oral and written, between the Parties relating to the subject**

matter thereof. Any changes to this Contract made by the Parties shall be invalid unless executed in a writing signed by both Parties' authorized representatives.

This contract shall be interpreted under the laws of the State of Utah.

17. No failure of either Party to exercise any power given hereunder or to insist upon strict compliance with any obligations specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any Party's right to demand strict compliance with the terms hereof.
18. Both parties recognize that time is of the essence. The home owner agrees to be available, responsive, provide timely feedback when decisions are needed, and to provide materials where allowances are made in a timely fashion. The contractor agrees to be available, responsive, provide timely notifications to the home owner when decisions need to be made, and ensure that his subcontractors do likewise. Both parties are aware that there are financing issues such that completion of the work in a four or six month timeframe is valuable, and agree to make best efforts to meeting those timeframes.
19. This contract is contingent upon home owner receiving two positive referrals from previous customers of contractor prior to work commencing. Home owner has the right to unilaterally terminate this contract up to the point where contractor begins working on the site in the event that positive referrals cannot be received or negative referrals are received. If home owner has not terminated this contract under this provision prior to contractor beginning work on the site, home owner will be presumed to have waived his rights under this provision.
20. All work on the project shall be done according to the requirements and specifications of the plans, except as changes are noted in this contract or the attached cost breakdown. The home plans have been modified from original plans to keep cost down. The following finishes have changed upon homeowners request, and these changes are reflected on the attached cost breakdown.
 1. Home will be all stucco and no stone or brick on the front. The foundation will be build large enough so the homeowner can add brick and stone on the foundation at a later date.

2. Home owner has eliminated the majority of can light and choose to go with basic overhead lighting.
3. Chateau finish is for all plumbing fixtures master bath has a large soaker tub. One water heater (50 gal).
4. As per plan main floor will partially unfinished.
5. Exterior drive way may be made out of asphalt instead of concrete. Home owner will be given the option of choosing concrete at the appropriate time in the project, along with the additional cost of a concrete driveway.
6. Large windows can be made into smaller units of a combined similar size and either mulled or framed to decrease the cost.
7. Flooring has a typical allowance that should not be exceeded.
8. No landscaping is included with bid.
9. Interior railing shall be paint grade. The exterior railing is for wrought iron on the cost breakdown but has the option to be changed to vinyl in order to save money.
10. Window wells are to be fiberglass cast with a rock wall stamp instead of concrete.
11. Additional requirements added to the retaining walls after the date of this contract shall be paid for in excess of the cost breakdown price. It is anticipated that they will include the installation of drains at the footings and gravel material along the back of several of the walls.

Ended up going stain grade and wrought iron

this was never addressed on the cost break down

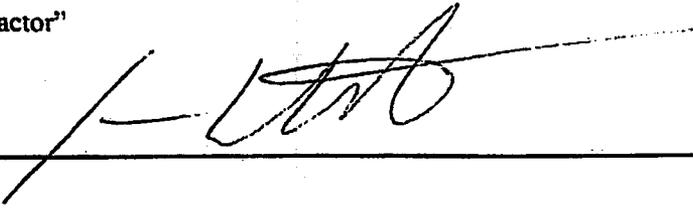
This agreement is executed this day 22nd day of August 2012

Cameron Whatcott

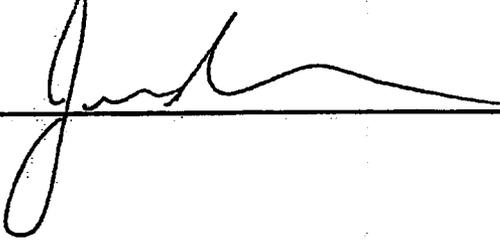
President

C.W. Construction

"Contractor"



"Owner"



A deposit in the amount of _____ was paid today in the form of
_____ and received by _____.

C.W.Construction 412 N 1340 E Provo Ut 84606
 Fein # 57-1209675 Cell # 362-1310
 Date Fax # 375-3999
 Customer Jonathan and Marec Cavender
 Address 1396 North 1450 east Provo
 Home number
 Cell Number(s)
 Work Nnumber(s) Home finished
 Project overhead Cost per Sq Ft

4180
 \$77.59

permit and fees	\$17,150.00
Plans	\$0.00
Engineering	\$0.00
Survey	\$0.00
Contingency	\$0.00 Allowance
Supervision	\$15,150.00 Fixed
Contractors fees	\$13,360.42 Fixed
Consultant	\$0.00
Lot Cost	\$0.00
Improve lot lot with utilities	\$12,000.00 to stub in utilities
Utilities	\$0.00 Home owner is responsible for utilities payment
Trash/restroom	\$2,424.00
Total	\$70,829.42

Excavation	\$10,510.50
Water	\$750.75
Sewer	\$750.75
Power	\$750.75
Gas	\$1,251.25
Back Fill And Haul off of soil	\$3,500.00 Dirt to be dumped on adjacent property
Footing and Foundation	\$40,400.00
Damp Proofing	\$707.00
Window wells	\$1,500.00
Underground plumbing	\$1,101.10
Basement Slab	\$7,507.50
Garage Slab	\$2,189.69
Suspended Slab	\$0.00
Framing Material	\$26,664.00 2x6 exterior
Framing Labor	\$20,930.91
Trusses	\$7,507.50
Roofing material/labor	\$7,070.00 30 year Archtiectual shingles
	\$0.00
Windows	\$8,008.00
Exterior doors	\$3,003.00
Garage doors	\$3,232.00 Door comes with pad and two car remotes
HVAC	\$12,612.60 (1)Complete furnace and swamp cooler in roof
Radiant Heat	\$0.00

Finish electrical material	\$2,002.00 Allowance
Finish Electrical Labor	\$5,630.63
Finish Plumbing Material	\$2,252.25 Allowance
Finish Plumbing Labor	\$7,657.65
Insulation	\$16,895.28 Spray In insulation Allowance
Siding	\$0.00
Soffit/fascia	\$1,010.00
Rain Gutters	\$1,636.20
Plaster foundation	\$1,060.50
Stone	\$0.00
Stucco	\$10,605.00
Wood	\$0.00
Exterior Concrete	\$10,010.00
Sheetrock	\$16,665.00
Fireplace	\$1,717.00
Finish carpentry material	\$8,585.00 standard base and case
Finish carpentry Labor	\$5,277.25
Interior paint	\$8,000.00 Allowance
Exterior paint	\$0.00
Kitchen Cabinets	\$8,000.00 Allowance
Countertop	\$6,363.00 type 1 granite
Bath vanity	\$1,212.00 Allowance
Mud room cabinets	\$0.00
Mirrors	\$505.00
Bath/shower Surrounds	\$2,777.50 tile
Shower door/hardware	\$1,515.00 Includes all door knobs and shower bars
Interior Railing	\$3,232.00 Paint grade
Exterior Railing	\$7,070.00 Allowance
Final Grade	\$1,351.35
Sprinkler system	\$0.00
Trees and Shrubs	\$0.00
Sod	\$0.00
Concrete stairs	\$3,603.60
Deck	\$7,007.00
Exterior retaining walls	\$8,608.60
Appliance	\$3,000.00 Allowance
Marble	\$0.00
Travertine	\$2,727.00 Allowance
Slate	\$0.00
Tile	\$0.00 \$2 material allowance Allowance
Hardwood	\$2,727.00 \$3.75 sq ft material allowance \$2.25 labor
Pergo	\$0.00
Carpet	\$5,681.25 \$2.10 Labor and material allowance
Epoxy(Garage)	\$0.00
Vinyl	\$0.00
Total Building Cost	\$324,331.35
Over head	\$70,829.42
Total Cost	\$395,160.77

This is the contract price

Duplication for notes.

C.W.Construction 412 N 1340 E Provo Ut 84606
Fein # 57-1209675 **Cell #** 362-1310
Date **Fax #** 375-3999
Customer Jonathan and Marec Cavender
Address 1396 North 1450 east Provo
Home number
Cell Number(s)
Work Nmber(s) Home finished 4180
Project overhead Cost per Sq Ft \$77.59

permit and fees	\$17,150.00	we paid all permit fees out of pocket used for architect.
Plans	\$0.00	
Engineering	\$0.00	
Survey	\$0.00	
Contingency	\$0.00	Allowance
Supervision	\$15,150.00	Fixed
Contractors fees	\$13,360.42	Fixed
Consultant	\$0.00	
Lot Cost	\$0.00	
Improve lot lot with utilities	\$12,000.00	to stub in utilities
Utilities	\$0.00	Home owner is responsible for utilities payment
Trash/restroom	\$2,424.00	
Total	\$70,829.42	This math is wrong and carried over to the final number

Excavation	\$10,510.50	
Water	\$750.75	
Sewer	\$750.75	
Power	\$750.75	
Gas	\$1,251.25	
Back Fill And Haul off of soil	\$3,500.00	Dirt to be dumped on adjacent property Not able to dump there we agreed to dump elsewhere and assume the cost
Footing and Foundation	\$40,400.00	
Damp Proofing	\$707.00	
Window wells	\$1,500.00	
Underground plumbing	\$1,101.10	
Basement Slab	\$7,507.50	
Garage Slab	\$2,189.69	
Suspended Slab	\$0.00	
Framing Material	\$26,664.00	2x6 exterior
Framing Labor	\$20,930.91	
Trusses	\$7,507.50	
Roofing material/labor	\$7,070.00	30 year Archtiectual shingles
Windows	\$8,008.00	
Exterior doors	\$3,003.00	
Garage doors	\$3,232.00	Door comes with pad and two car remotes
HVAC	\$12,612.60	(1) Complete furnace and swamp cooler in roof Cameron chose to install an AC instead and told us the price was the same.
Radiant Heat	\$0.00	

Finish electrical material	\$2,002.00	Allowance	
Finish Electrical Labor	\$5,630.63		
Finish Plumbing Material	\$2,252.25	Allowance	
Finish Plumbing Labor	\$7,657.65		
Insulation	\$16,895.28	Spray in insulation Allowance	only partially finished
Siding	\$0.00		complete
Soffit/fascia	\$1,010.00		
Rain Gutters	\$1,636.20		only partially finished / complete
Plaster foundation	\$1,060.50		
Stone	\$0.00		
Stucco	\$10,605.00		
Wood	\$0.00		
Exterior Concrete	\$10,010.00		
Sheetrock	\$16,665.00		
Fireplace	\$1,717.00		
Finish carpentry material	\$8,585.00	standard base and case	
Finish carpentry Labor	\$5,277.25		
Interior paint	\$8,000.00	Allowance	
Exterior paint	\$0.00		
Kitchen Cabinets	\$8,000.00	Allowance	
Countertop	\$6,363.00	type 1 granite	
Bath vanity	\$1,212.00	Allowance	
Mud room cabinets	\$0.00		
Mirrors	\$505.00		
Bath/shower Surrounds	\$2,777.50	tile	we agreed to pay a little more for cultured
Shower door/hardware	\$1,515.00	Includes all door knobs and shower bars	never provided
Interior Railing	\$3,232.00	Paint grade	
Exterior Railing	\$7,070.00	Allowance	
Final Grade	\$1,351.35	Never done / was done before	final inspection
Sprinkler system	\$0.00		
Trees and Shrubs	\$0.00		
Sod	\$0.00		
Concrete stairs	\$3,603.60	Not done	
Deck	\$7,007.00		
Exterior retaining walls	\$8,608.60	we agreed to allow him to change our wall design to	
Appliance	\$3,000.00	Allowance	save him money.
Marble	\$0.00		
Travertine	\$2,727.00	Allowance	
Slate	\$0.00		
Tile	\$0.00	\$2 material allowance	Allowance
Hardwood	\$2,727.00	\$3.75 sq ft material allowance	\$2.25 labor
Pergo	\$0.00		
Carpet	\$5,681.25	\$2.10 Labor and material allowance	
Epoxy(Garage)	\$0.00		
Vinyl	\$0.00		
Total Building Cost	\$324,331.35		
Over head	\$70,829.42		
Total Cost	\$395,160.77		

Exhibit C

Cavender Initial
Evidence

Summary

I have attached copious documentation identifying the payments we have made, our agreement, and our compliance. In an effort to be thorough, I wanted to include everything but I also recognize that this much information can become difficult to sort through. So I wanted to take a brief moment to summarize what I have provided to aid in this review.

We had a fixed-price agreement with C W Construction whereby CW was to do certain work for us and we would pay a flat fee for that work. The understanding existed (and was recorded in a written contract which I have included) that if CW went over on a line item, CW was responsible while if CW went under on an item, CW was entitled to keep the excess.

The fixed-price portion of our contract was for \$322,706.09. This includes an additional \$7,570 for haul-off, \$278 for garage door upgrade, and \$3,297.37 for an improved fireplace. Although no written change orders were prepared for these changes, we agreed to them nonetheless and are fine honoring them. In payment for the fixed price items, we have paid \$329,829.10 for a net overpayment to our general contractor of \$7,123.01 (an issue we will have to take up with our general contractor outside of this application).

The liens that have been filed are for insulation from Sunroc in the amount of \$12,940.58 for insulation and for engineering on a retaining wall for \$1,800.00 from Earthtec. We paid CW \$15,391.40 for the insulation work to be done on two separate invoices presented to us. This money was never paid over to Sunroc, however. Additionally, we paid CW \$8,608.60 for our retaining walls to CW, and CW chose to get the work from Earthtec done in order to reduce the amount he would have to pay for retaining walls. We paid the full amount, which necessarily included the Earthtec piece.

I have included a spreadsheet that details the line items as referenced by the contract, and detailing when and how we paid each (with evidences for each payment included). I have also attached similar evidences for the allowances portion of our contract. While it didn't seem relevant, I wanted to include it so that I could show that we had not gone over on allowances leaving our general obligated to pay money elsewhere. This spreadsheet conclusively shows that CW was (over-)paid for the work that they did as general contractor on our house and did not pay the subs according to our agreement (and, in the case of Sunroc, presented Sunroc's invoice as their own to divert payment away from the sub and to CW).

Because we had a written agreement, and the general contractor was paid in full, and the general contractor contracted with the subs, and the general contractor failed to pay the subs, and we have been occupying the property as our personal residence since we received a certificate of occupancy, we believe we qualify for a Certificate of Compliance and for the liens to be removed from our property and the subs to get recovery from the lien recovery fund.

Spreadsheet for Certificate of Compliance

CONTRACTED TO PAY:		AMOUNT PAID:		NET OWING: (\$7,123.01)	
			Item Total	Payments	
Permits and Fees	\$17,150.00	Permits and Fees	\$14,604.66	\$14,604.66	paid out of pocket by homeowner Check #2531
Supervision	\$15,150.00	Supervision	\$5,500.00	\$2,500.00	Paid 11/28/12 by bank draw (Partial of \$5,362 payment)
				\$3,000.00	Paid 2/12/13 by bank draw (Labeled contingency)
Contractor's Fees	\$13,360.42	Contractor's Fees	\$5,500.00	\$500.00	Initial Deposit
Improve Lot with Utilities	\$12,000.00	Improve Lot with Utilities	\$0.00	\$5,000.00	Paid 3/4/13 by bank draw (Included in Excavation, below)
Trash and Restroom	\$2,424.00	Trash and Restroom	\$0.00	\$0.00	(Included in Supervision, above)
Excavation	\$10,510.50	Excavation	\$22,937.11	\$8,250.00	Paid 11/05/12 by bank draw
				\$2,028.64	Paid 11/28/12 by bank draw
				\$231.86	Paid 1/22/13 by bank draw
				\$11,100.00	Paid 1/22/13 by bank draw (Labeled contingency)
				\$1,326.61	Paid 3/11/13 by bank draw (Labeled contingency)
Water	\$750.75	Water	\$750.75	\$750.75	Paid 1/22/13 by bank draw
Sewer	\$750.75	Sewer	\$750.75	\$750.75	Paid 1/22/13 by bank draw
Power	\$750.75	Power	\$750.75	\$750.75	Paid 1/22/13 by bank draw
Gas	\$1,251.25	Gas	\$1,251.25	\$871.17	Paid 12/21/12 by bank draw
				\$380.08	Paid 12/21/12 by bank draw
Back Fill and Haul Off Dirt (Cost we agreed to bear)	\$3,500.00 \$7,570.00	Back Fill and Haul Off Dirt	\$11,070.00	\$3,500.00	Paid 11/05/12 by bank draw
Footing and Foundation	\$40,400.00	Footing and Foundation	\$57,533.09	\$7,570.00	Paid 11/05/12 by bank draw
				\$6,000.00	Paid 11/05/12 by bank draw
				\$34,400.00	Paid 11/28/12 by bank draw
				\$13,000.00	Paid 11/28/12 by bank draw
				\$4,133.09	Paid 1/22/13 by bank draw (Labeled contingency)
Damp Proofing	\$707.00	Damp Proofing	\$707.00	\$700.00	Paid 11/28/12 by bank draw
				\$7.00	Paid 1/22/13 by bank draw
Window Wells	\$1,500.00	Window Wells	\$1,500.00	\$1,500.00	Paid 11/28/12 by bank draw
Underground Plumbing	\$1,101.10	Underground Plumbing	\$1,101.10	\$1,000.00	Paid 12/21/12 by bank draw
				\$101.10	Paid 1/22/13 by bank draw
Basement Slab	\$7,507.50	Basement Slab	\$10,369.50	\$4,569.50	Paid 11/28/12 by bank draw
				\$2,938.00	Paid 11/28/12 by bank draw
				\$2,862.00	Paid 11/28/12 by bank draw (Partial of \$5,362 payment)
Garage Slab	\$2,189.69	Garage Slab	\$2,189.69	\$2,000.00	Paid 11/28/12 by bank draw
				\$189.69	Paid 1/22/13 by bank draw
Framing Material	\$26,664.00	Framing Material	\$26,664.00	\$8,640.48	Paid 12/21/12 by bank draw
				\$4,522.09	Paid 12/21/12 by bank draw
				\$13,501.43	Paid 1/22/13 by bank draw
Framing Labor	\$20,930.91	Framing Labor	\$20,500.00	\$2,000.00	Paid 11/28/12 by bank draw
				\$10,000.00	Paid 12/21/12 by bank draw
				\$8,500.00	Paid 1/22/13 by bank draw
Trusses	\$7,507.50	Trusses	\$7,507.50	\$5,568.46	Paid 1/22/13 by bank draw
				\$1,939.04	Paid 3/11/13 by bank draw
Roofing Material and Labor	\$7,070.00	Roofing Material and Labor	\$7,000.00	\$7,000.00	Paid 2/12/13 by bank draw
Windows	\$8,008.00	Windows	\$10,037.74	\$7,295.27	Paid 12/21/12 by bank draw
				\$712.73	Paid 1/22/13 by bank draw
				\$2,029.74	Paid 2/12/13 by bank draw
Exterior Doors	\$3,003.00	Exterior Doors	\$3,003.00	\$3,003.00	Paid 3/11/13 by bank draw
Garage Doors (Upgrade we agreed to)	\$3,232.00 \$278.00	Garage Doors	\$3,510.00	\$3,232.00	Paid 3/04/13 by bank draw
HVAC	\$12,612.60	HVAC	\$8,664.00	\$278.00	Paid 3/04/13 by bank draw
Soffit/Fascia	\$1,010.00	Soffit/Fascia	\$3,400.00	\$3,400.00	Paid 3/04/13 by bank draw
				\$0.00	Paid out of pocket by homeowners Check #226 (Includes gutters) (Included in Soffit, above)
Rain Gutters	\$1,636.20	Rain Gutters	\$0.00	\$5,000.00	Paid 3/04/13 by bank draw
Plaster Foundation	\$1,060.50	Plaster Foundation	\$0.00	\$7,500.00	Paid out of pocket by homeowners Check #226
Stucco	\$10,605.00	Stucco	\$12,500.00	\$10,010.00	Paid 3/11/13 by bank draw
Exterior Concrete	\$10,010.00	Exterior Concrete	\$10,010.00	\$6,000.00	Paid 2/12/13 by bank draw
Sheetrock	\$16,665.00	Sheetrock	\$16,665.00	\$10,665.00	Paid 3/04/13 by bank draw
Fireplace (Upgrade we agreed to)	\$1,717.00 \$3,297.37	Fireplace	\$5,014.34	\$1,717.00	Paid 3/04/13 by bank draw
				\$3,297.34	Paid 3/11/13 by homeowner credit card
Finish Carpentry Material	\$8,585.00	Finish Carpentry Material	\$8,585.00	\$8,585.00	Paid 3/11/13 by bank draw
Finish Carpentry Labor	\$5,277.25	Finish Carpentry Labor	\$5,277.00	\$5,277.00	Paid 3/04/13 by bank draw
Countertop	\$6,363.00	Countertop	\$6,363.00	\$2,480.00	Paid 3/11/13 by bank draw
				\$3,883.00	Paid 3/11/13 by bank draw
Mirrors	\$505.00	Mirrors	\$0.00	\$2,583.00	Paid 3/11/13 by bank draw
Bath/Shower Surrounds	\$2,777.50	Bath/Shower Surrounds	\$2,583.00	\$237.00	Paid 3/11/13 by bank draw
Shower Door/Hardware	\$1,515.00	Shower Door/Hardware	\$237.00	\$0.00	
Interior Railing	\$3,232.00	Interior Railing	\$0.00		

Allowances

BID		AMOUNT PAID:	\$70,189.68	NET OWNG	(\$2,665.38)
			Item Total	Payments	
Finish Electrical Material	\$2,002.00	Finish Electrical Material	\$1,243.37	\$1,243.37	Paid 2/12/13 by bank draw
Finish Electrical Labor	\$5,630.63	Finish Electrical Labor	\$8,572.63	\$5,630.63	Paid 2/12/13 by bank draw
				\$2,942.00	paid out of pocket by homeowner 4/20/13 by credit card
Finish Plumbing Material	\$2,252.25	Finish Plumbing Material	\$3,100.00	\$3,100.00	paid out of pocket by homeowner 4/17/2013 by credit card
Finish Plumbing Labor	\$7,657.65	Finish Plumbing Labor	\$5,600.00	\$5,600.00	Paid 2/12/13 by bank draw
Insulation (Spray In Allowance)	\$16,895.28	Insulation (Spray In Allowance)	\$15,391.40	\$12,000.00	Paid 2/12/13 by bank draw
				\$3,391.40	Paid 3/4/13 by bank draw (Both payments made to C W Construction)
Interior Paint	\$8,000.00	Interior Paint	\$5,775.00	\$5,775.00	Paid 3/11/12 by bank draw
Kitchen Cabinets	\$8,000.00	Kitchen Cabinets	\$9,685.00	\$4,842.50	Paid 2/12/13 by bank draw
				\$4,842.50	paid out of pocket by homeowner Check #9264 (Included in Kitchen Cabinets, above)
Bath Vanity	\$1,212.00	Bath Vanity	\$0.00		
Exterior Railing	\$7,070.00	Exterior Railing	\$7,830.00	\$7,070.00	Paid 3/11/12 by bank draw
				\$760.00	Paid 3/11/12 by bank draw
Appliances	\$3,000.00	Appliances	\$2,799.00	\$2,799.00	Paid 1/4/13 by bank draw
Travertine	\$2,727.00	Travertine	\$2,810.97	\$1,278.97	Paid 1/22/13 by homeowner credit card
				\$300.00	Paid 2/11/13 by homeowner credit card
				\$326.09	Paid 2/15/13 by homeowner credit card
				\$905.91	Paid 3/5/13 by homeowner credit card
Hardwood	\$2,727.00	Hardwood	\$1,796.24	\$898.12	Paid 2/15/13 by homeowner credit card
				\$898.12	Paid 2/22/13 by homeowner credit card
Carpet	\$5,681.25	Carpet	\$5,586.07	\$5,257.28	paid out of pocket by homeowner
				\$328.79	Paid 2/13/13 by homeowner credit card

C.W.Construction	412 N 1340 E Provo Ut 84606	
Fein #	57-1209675	Cell # 362-1310
Date		Fax # 375-3999
Customer	Jonathan and Marec Cavender	
Address	1396 North 1450 east Provo	
Home number		
Cell Number(s)		
Work Nmber(s)	Home finished	4180
Project overhead	Cost per Sq Ft	\$77.59

permit and fees	\$17,150.00	
Plans	\$0.00	
Engineering	\$0.00	
Survey	\$0.00	
Contingency	\$0.00	<i>Allowance</i>
Supervision	\$15,150.00	<i>Fixed</i>
Contractors fees	\$13,360.42	<i>Fixed</i>
Conslutant	\$0.00	
Lot Cost	\$0.00	
Improve lot lot with utilities	\$12,000.00	<i>to stub in utilities</i>
Utilities	\$0.00	<i>Home owner is responsible for utilities payment</i>
Trash/restroom	\$2,424.00	
Total	\$70,829.42	

Excavation	\$10,510.50	
Water	\$750.75	
Sewer	\$750.75	
Power	\$750.75	
Gas	\$1,251.25	
Back Fill And Haul off of soil	\$3,500.00	<i>Dirt to be dumped on adjacent property</i>
Footing and Foundation	\$40,400.00	
Damp Proofing	\$707.00	
Window wells	\$1,500.00	
Underground plumbing	\$1,101.10	
Basement Slab	\$7,507.50	
Garage Slab	\$2,189.69	
Suspended Slab	\$0.00	
Framing Material	\$26,664.00	<i>2x6 exterior</i>
Framing Labor	\$20,930.91	
Trusses	\$7,507.50	
Roofing material/labor	\$7,070.00	<i>30 year Archtiectual shingles</i>
	\$0.00	
Windows	\$8,008.00	
Exteroir doors	\$3,003.00	
Garage doors	\$3,232.00	<i>Door comes with pad and two car remotes</i>
HVAC	\$12,612.60	<i>(1)Complete furnace and swamp cooler in roof</i>
Radiant Heat	\$0.00	

Finish electrical material	\$2,002.00	<i>Allowance</i>
Finish Electrical Labor	\$5,630.63	
Finish Plumbing Material	\$2,252.25	<i>Allowance</i>
Finish Plumbing Labor	\$7,657.65	
Insulation	\$16,895.28	<i>Spray in insulation Allowance</i>
Siding	\$0.00	
Soffit/fascia	\$1,010.00	
Rain Gutters	\$1,636.20	
Plaster foundation	\$1,060.50	
Stone	\$0.00	
Stucco	\$10,605.00	
Wood	\$0.00	
Exterior Concrete	\$10,010.00	
Sheetrock	\$16,665.00	
Fireplace	\$1,717.00	
Finish carpentry material	\$8,585.00	<i>standard base and case</i>
Finish carpentry Labor	\$5,277.25	
Interior paint	\$8,000.00	<i>Allowance</i>
Exterior paint	\$0.00	
Kitchen Cabinets	\$8,000.00	<i>Allowance</i>
Countertop	\$6,363.00	<i>type 1 granite</i>
Bath vanity	\$1,212.00	<i>Allowance</i>
Mud room cabinets	\$0.00	
Mirrors	\$505.00	
Bath/shower Surrounds	\$2,777.50	<i>tile</i>
Shower door/hardware	\$1,515.00	<i>Includes all door knobs and shower bars</i>
Interior Railing	\$3,232.00	<i>Paint grade</i>
Exterior Railing	\$7,070.00	<i>Allowance</i>
Final Grade	\$1,351.35	
Sprinkler system	\$0.00	
Trees and Shrubs	\$0.00	
Sod	\$0.00	
Concrete stairs	\$3,603.60	
Deck	\$7,007.00	
Exterior retaining walls	\$8,608.60	
Appliance	\$3,000.00	<i>Allowance</i>
Marble	\$0.00	
Travertine	\$2,727.00	<i>Allowance</i>
Slate	\$0.00	
Tile	\$0.00	<i>\$2 material allowance Allowance</i>
Hardwood	\$2,727.00	<i>\$3.75 sq ft material allowance \$2.25 labor</i>
Pergo	\$0.00	
Carpet	\$5,681.25	<i>\$2.10 Labor and material allowance</i>
Epoxy(Garage)	\$0.00	
Vinyl	\$0.00	
Total Building Cost	\$324,331.35	
Over head	\$70,829.42	
Total Cost	\$395,160.77	

Duplication for notes.

C.W.Construction 412 N 1340 E Provo Ut 84606
 Fein # 57-1209675 Cell # 362-1310
 Date Fax # 375-3999
 Customer Jonathan and Marec Cavender
 Address 1396 North 1450 east Provo
 Home number
 Cell Number(s)
 Work Nmber(s) Home finished 4180
 Project overhead Cost per Sq Ft \$77.59

permit and fees	\$17,150.00	we paid all permit fees out of pocket
Plans	\$0.00	
Engineering	\$0.00	
Survey	\$0.00	
Contingency	\$0.00	Allowance
Supervision	\$15,150.00	Fixed
Contractors fees	\$13,360.42	Fixed
Conslutant	\$0.00	
Lot Cost	\$0.00	
Improve lot lot with utilities	\$12,000.00	to stub in utilities
Utilities	\$0.00	Home owner is responsible for utilities payment
Trash/restroom	\$2,424.00	
Total	\$70,829.42	His Math is wrong and carried over to the final number

Excavation	\$10,510.50	
Water	\$750.75	
Sewer	\$750.75	
Power	\$750.75	
Gas	\$1,251.25	
Back Fill And Haul off of soil	\$3,500.00	Dirt to be dumped on adjacent property Not able to dump there, we agreed to dump elsewhere and assume the cost
Footing and Foundation	\$40,400.00	
Damp Proofing	\$707.00	
Window wells	\$1,500.00	
Underground plumbing	\$1,101.10	
Basement Slab	\$7,507.50	
Garage Slab	\$2,189.69	
Suspended Slab	\$0.00	
Framing Material	\$26,664.00	2x6 exterior
Framing Labor	\$20,930.91	
Trusses	\$7,507.50	
Roofing material/labor	\$7,070.00	30 year Archtiectual shingles
	\$0.00	
Windows	\$8,008.00	
Exteroir doors	\$3,003.00	
Garage doors	\$3,232.00	Door comes with pad and two car remotes
HVAC	\$12,612.60	(1)Complete furnace and swamp cooler in roof Cameron chose to install an AC instead we told us the price was the same.
Radiant Heat	\$0.00	

Finish electrical material	\$2,002.00	Allowance	
Finish Electrical Labor	\$5,630.63		
Finish Plumbing Material	\$2,252.25	Allowance	
Finish Plumbing Labor	\$7,657.65		
Insulation	\$16,895.28	Spray in insulation Allowance	only partially finished.
Siding	\$0.00		
Soffit/fascia	\$1,010.00		
Rain Gutters	\$1,636.20		only partially finished
Plaster foundation	\$1,060.50		
Stone	\$0.00		
Stucco	\$10,605.00		
Wood	\$0.00		
Exterior Concrete	\$10,010.00		
Sheetrock	\$16,665.00		
Fireplace	\$1,717.00		
Finish carpentry material	\$8,585.00	standard base and case	
Finish carpentry Labor	\$5,277.25		
Interior paint	\$8,000.00	Allowance	
Exterior paint	\$0.00		
Kitchen Cabinets	\$8,000.00	Allowance	
Countertop	\$6,363.00	type 1 granite	
Bath vanity	\$1,212.00	Allowance	
Mud room cabinets	\$0.00		
Mirrors	\$505.00		
Bath/shower Surrounds	\$2,777.50	tile	we agreed to pay a little more for cultured
Shower door/hardware	\$1,515.00	Includes all door knobs and shower bars	Never provided
Interior Railing	\$3,232.00	Paint grade	
Exterior Railing	\$7,070.00	Allowance	
Final Grade	\$1,351.35	Never done	
Sprinkler system	\$0.00		
Trees and Shrubs	\$0.00		
Sod	\$0.00		
Concrete stairs	\$3,603.60	Not done	
Deck	\$7,007.00		
Exterior retaining walls	\$8,608.60	we agreed to allow him to change our wall design to	
Appliance	\$3,000.00	Allowance	save him money.
Marble	\$0.00		
Travertine	\$2,727.00	Allowance	
Slate	\$0.00		
Tile	\$0.00	\$2 material allowance Allowance	
Hardwood	\$2,727.00	\$3.75 sq ft material allowance \$2.25 labor	
Pergo	\$0.00		
Carpet	\$5,681.25	\$2.10 Labor and material allowance	
Epoxy(Garage)	\$0.00		
Vinyl	\$0.00		
Total Building Cost	\$324,331.35		
Over head	\$70,829.42		
Total Cost	\$395,160.77		

Exhibit D

Division's Payment Analysis

<u>Payment Type</u>	<u>Payor</u>	<u>Payee</u>	<u>Date</u>	<u>Amount</u>
check 2531	cavender	provo city	9/10/13	\$14,604.66
draw	bank	bank draw of 5362.00 (2862.00 + 2500.00)		\$2,500.00
draw	bank	cw const - contingency	2/12/13	\$3,000.00
draw	bank	cw const - contingency	3/4/13	\$5,000.00
credit card	cavender	CW Const	8/23/12	\$500.00
draw	bank	CW Const excavation	11/5/12	\$8,250.00
draw	bank	CW Const excavation	11/28/12	\$2,028.64
draw	bank	clydeco - exavation	1/22/13	\$231.86
draw	bank	alan hone const - contingency	1/22/13	\$11,100.00
draw	bank	alan hone const - contingency	3/11/13	\$1,326.61
draw	bank	water	1/22/13	\$750.75
draw	bank	sewer	1/22/13	\$750.75
draw	bank	gas	1/22/13	\$750.75
draw	bank	gas	12/21/12	\$871.17
draw	bank	gas	1/22/13	\$380.08
draw	bank	alan hone - back fill haul off	11/5/12	\$3,500.00
draw	bank	cw const - footing and foundation	11/5/12	\$6,000.00
draw	bank	carbide const - footing and foudation	11/28/12	\$34,400.00
draw	bank	bradbury masonry -contingency	11/28/12	\$13,000.00
draw	bank	clydeco - contingency	1/22/13	\$4,133.09
draw	bank	cw const - damp proofing	11/28/13	\$700.00
draw	bank	clydeco - damp proofing	1/22/13	\$7.00
draw	bank	cw - window wells	11/28/12	\$1,500.00
draw	bank	justin hill plumbing - underground plumbing	12/21/12	\$1,000.00
draw	bank	clydeco - underground plumbing	1/22/13	\$101.10
draw	bank	carbide const -basement slab	11/28/12	\$4,569.50
draw	bank	cw const -basement slab	11/28/12	\$2,938.00
draw	bank to cw contingency	bank draw of 5362.00 (2862.00 + 2500.00)		\$2,862.00
draw	bank	alan hone -exc garage slab	11/2/8/12	\$2,000.00
draw	bank	clydeco - garage slab	1/22/13	\$189.69
draw	bank	sunroc - framing	12/21/12	\$8,640.48
draw	bank	barber metals - framing	12/21/12	\$4,522.09
draw	bank	sunroc - framing material	1/22/13	\$13,501.43
draw	bank	cw const -framing labor	11/28/12	\$2,000.00
draw	bank	cw const - framing labor	12/21/12	\$10,000.00
draw	bank	cw const framing labor	1/22/13	\$8,500.00

draw	bank	sunroc - trusses	1/22/13	\$5,568.46
draw	bank	alan hone - trusses	3/11/13	\$1,939.04
draw	bank	cw const - roofing/labor	2/12/13	\$7,000.00
draw	bank	intermountain const - windows	12/21/12	\$7,295.27
draw	bank	clydeco - windows	1/22/13	\$712.73
draw	bank	intermountain const - contingency	2/12/13	\$2,029.74
draw	bank	sunroc - exterior doors	3/11/13	\$3,003.00
draw	bank	garage door man - garage	3/4/13	\$3,232.00
draw	bank	precision air - hvac	3/4/13	\$8,664.00
check 226	cavender	PART OF CHECK	4/18/13	\$3,400.00
draw	bank	e&l custom -stucco	3/4/13	\$5,000.00
check 226	cavender	PART OF CHECK	4/18/13	\$7,500.00
draw	bank	cw const - exterior concrete	3/11/13	\$10,010.00
draw	bank	cw const -sheetrock	2/12/13	\$6,000.00
draw	bank	cw const -sheetrock	3/4/13	\$10,665.00
draw	bank	precision air - fireplace	3/4/13	\$1,717.00
draw	bank	sunroc - carpet	3/11/13	\$8,585.00
draw	bank	cw const - carpet finish/labor	3/4/13	\$5,277.00
draw	bank	artisan marble - countertop	3/11/13	\$2,480.00
draw	bank	alan hone excavating - countertop ?	3/11/13	\$3,883.00
draw	bank	master bath - shower surround	3/11/13	\$2,583.00
draw	bank	cw const - shower door	3/11/2013	\$237.00
draw	bank	cove mnth elec - electric	2/12/13	\$1,243.37
draw	bank	cove mnth elec - electric	2/12/13	\$5,630.63
credit card	cavender	daniel hooper	4/20/13	\$2,942.00
credit card	cavender	standard plumbing	4/17/13	\$3,100.00
draw	bank	justin hill plumbing	2/12/13	\$5,600.00
draw	bank	cw const - insulation	2/12/13	\$12,000.00
draw	bank	cw const - insulation	3/4/13	\$3,391.40
draw	bank	bennion john - interior paint	3/11/13	\$5,775.00
check	cavender	jensen classic woodworking	5/22/13	\$4,842.50
draw	bank	jensen classic woodworking -cabinets	2/12/13	\$4,842.50
draw	bank	barber welding - exterior railing	3/11/13	\$7,070.00
draw	bank	barber welding - contingency	3/11/13	\$760.00
draw	bank	cavender - applicances	1/4/13	\$2,799.00
credit card	cavender	the home depot	1/22/13	\$1,278.97
credit card	cavender	carpets america	2/11/13	\$300.00

credit card	cavender	carpets america	2/15/13	\$326.09			
credit card	cavender	the home depot	3/5/13	\$905.91			
credit card	cavender	old world stone	5/15/13	\$898.12			
credit card	cavender	old world stone	2/22/13	\$898.12			
		no evidence - PD OUT OF POCKET EXPENSE		\$5,257.28			
credit card	cavender	taylor carpets	2/13/13	\$328.79			
draw	bank	alan hone - final grade	3/11/13	\$1,351.35			
check 9260	cavender	t samani	4/25/13	\$3,080.00			
draw	bank	cw const - deck	3/4/13	\$7,000.00			
credit card	cavender	sunroc	4/16/13	\$15,752.92			
draw	bank	cw const - exterior retaining wall		\$8,608.60			
				\$388,873.44			

Exhibit D
Cavender's
January 8, 2014
Response

JONATHAN A. CAVENDER

ATTORNEY-AT-LAW

558 East 1400 South • Orem, Utah 84097
PHONE: (801) 224-3442 • FAX: (801) 802-9157
WEBSITE: www.utahcountylaw.com

FILE NO. JACOW-1

January 8, 2014

Dane Ishihara
Program Manager
DOPL-LRF
P.O. Box 146741
Salt Lake City, Utah 84114-6741

*Also sent via email to dishihara@utah.gov
Also sent via fax to (801) 530-6511*

re: Application for Certificate of Compliance (ID# CWCCA001)

Dear Mr. Ishihara:

I am in receipt of your letter of December 13th, 2013 and I am happy to provide the additional information and evidence that you need. I also include information to provide a further explanation of the nature of the contract and the details of the work that was (and was not completed).

To begin with, I have provided the credit card statements showing the payment to Zion's Upholstering for the carpets. We were unable to provide this information before because of our inability to access it online. Now, having finally accessed it, it is clear that not only was this amount paid, but we paid more than I recalled from the statement. In addition to the \$5,257.28 that I included on the Certificate of Compliance Application (which was the only amount that I could be certain we had paid without the statement), we paid an additional \$2,342.00 for this line item. However, as this additional payment amount is not necessary for the numbers to work for the payments made to qualify for the Certificate of Compliance, and as the carpet is an allowance item in any event (thus any additions to the amount paid would have a corresponding deduction in the amount of allowances saved), it is not included below. But, if it aids the board in any way, as a matter of fact we paid that additional \$2,342.00 towards the amounts under the contract.

Secondly, as we discussed on the telephone I am not certain what is being referenced by the three additional items listed for miscellaneous payments. The payment to Provo City appears to be the plan review fee, which we paid directly, and which was thereafter applied to our building permit costs. This was not included in our line item for permits or fees, either – the \$14,604.66 was payment by check. We were not certain it was applicable for this line item, and in deference ensuring that the process had as little confusion as possible we left it off as well. But if this board finds it helpful, this \$1,566.86 can be added to the permits and fees line item.

Finally, I believe based upon my conversation with you that the final two items listed are the result of our sale of our previous house during this time. As a part of acquiring the construction loan, Bank of American Fork held a lien against our then-residence. When we sold our house, Bank of American Fork took a portion of the money from this sale and applied it to the interest accruing and delivered the remainder to us. Assuming that we accurately understand the reference to these

numbers, it certainly should not be considered either positively or negatively towards this Certificate of Compliance Application. It is neither a line item, nor a payment under the terms of the contract.

As to the first three items, I am happy to provide an explanation. As I understand the confusion, it arises from multiple issues. The first of these is the fact that there was a fixed price contract that also considered certain allowances for work that we were able to do more cheaply. The fixed-priced portion of the contract amounted to a total fixed-price agreement of \$322,706.09. This can be seen in the itemized list of contractual items included on page 9 and 10 of our application and which is included here for your reference. This total amount includes the three items we agreed to pay (see the \$7,570 for haul off, \$278 for the garage door upgrade, and \$3,297.37 we agreed to for the fireplace upgrade – I have highlighted each). We paid \$329,829.10 for this amount. We overpaid for the fixed-price portion of the contract by \$7,123.01 and saved \$2,665.38 by coming in under on all of our allowances. This is including the addition of the items not in the original contract being added to the fixed contract portion of the price. In my opinion, this is the simplest, fairest, best, and most accurate way to look at the contract and performances under it. Under this interpretation of the facts, we would qualify for the issuance of a Certificate of Compliance.

Secondly, I am convinced that part of the confusion in this case arises in part from the mathematical errors on the original cost breakdown. If you look the first section, the contractor makes a clear additive error. He derives a total cost of \$70,829.42 for the addition of the elements in that section. The correct tally should be \$60,084.42. His math error has led to confusion on his part. However the language of the contract (specifically number 5) shows that the fixed cost nature of the work attaches to the categories of work rather than to the final number. Thus this additive error by the contractor is the responsibility of the contractor and is not binding on the owner.

Even if it were, however, that would not decide this issue in the favor of the contractor. The building total was for \$395,160.77. We added additional items leading to a total of \$406,306.14. It is necessary to subtract from this number the savings on the allowances portion of the contract (clearly permitted). We saved \$2,665.38 on the allowances, bringing the total to \$403,640.76. The contractor failed to provide the shower door hardware (\$1,515.00), the final grade (\$1,351.35), and concrete steps to the street (\$3,603.60). Thus, even assuming the math error in the contractor's favor, assuming that all changes to the contract engaged by both parties are equally enforceable (without change orders), and making every other assumption in favor of the contractor, the homeowners would be responsible for paying \$397,170.81. The homeowners in fact paid \$400,018.78 + additional payments of several thousand dollars to complete the grading and finishing work left undone by the contractor (proof of which can be made available upon your request).

That we should be covered on a reasonable worst-case basis is clear. However, a more appropriate reading of the contract makes the case even starker. The contractor should not profit from their mathematical errors. The contractor should not profit from their failure to do work contracted (and that is only the work that was never even attempted – there is still a substantial amount of work left to be completed: missing fixtures, holes in the wall, areas unpainted, leaking into the house, areas not insulated, over half of our electrical fixtures uninstalled, and that is not a comprehensive list). The contractor should not profit from the homeowner's willingness to save money on the allowance portion of the contract. Taking all three of those into account, the number then becomes a required payment from the homeowner of \$386,425.81. Our actual payment of \$400,018.78 represents an overpayment for the work actually begun under the contract of \$13,592.97.

The only way the contractor prevails in this is if this agency chooses to look at the face amount of the cost breakdown rather than the categories of work (ignoring the contrary language of the contract), gives the contractor credit for his own mathematical error, adjusts the face amount of the contract by the additional work requested by the homeowner (without change orders), refuses to reciprocally adjust the face amount by the work not even begun by the contractor, and refuses to give credit to the homeowner for the savings in the allowances by the homeowner. This, on its face, is unreasonable – equity demands that if changes by the homeowner to the scope of work affect the final price changes by the contractor to the scope of work (especially when done unilaterally, in

violation of the contract, and against the homeowner's interest) also should affect the final price. And with all of this, it still ignores the deficient and unfinished work of the contractor which the homeowner has subsequently been obligated to pay several thousands of dollars merely to begin to correct. However, even in this worst case, unrealistic and inequitable scenario we have paid \$402,360.78 (including the full carpet amount) of \$406,306.14 (a worst-case deficiency \$3,945.36) and the general contractor has left unpaid \$14,740.58 in actual liens (374% of this deficiency) – and this is not counting the subcontractors that we have had to deal with who have agreed (upon review of our documentation) to grant us a written lien waiver and pursue only the contractor (most notably, to their credit, many thousands of dollars in potential liens waived by Wheeler Machinery). But, of course, this overwhelmingly contractor-friendly interpretation is inappropriate. It is inappropriate for the contractor to profit from his mathematical mistake, his refusal to do work, or to not credit the homeowner for allowances. So this hypothetical interpretation necessary for the contractor to prevail is utterly unrealistic.

Under any reasonable interpretation of the facts and the contract, we are entitled to the issuance of a Certificate of Compliance. To summarize the alternative mechanisms that are independently sufficient to qualify us:

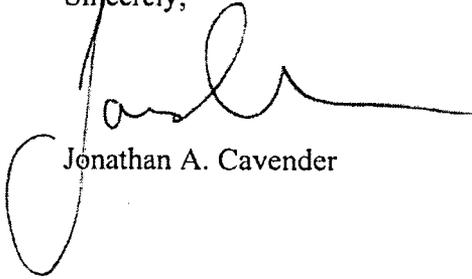
1. We paid more than the face amount of the contract.
2. The contractor took the subcontractor invoices for which liens are at issue, surreptitiously presented them as his own, and we paid the actual invoices that are at issue her to the general contractor (the general contractor then failed to appropriately pay the subcontractors). In other words, we paid the general and the general did not pay the subcontractors, and now the subcontractors are pursuing liens for the amounts the general collected but did not remit (the very logical foundation for which the homeowner protection and the Certificate of Compliance process was created to protect against).
3. We paid more than the amount of the contracted category of work done, which was the requirement under the contract. This is true even adjusted for additional work requested.
4. We paid more than the face amount of the contract, adjusted for additional work requested by us and deducted by the work not even attempted by the contractor.

I understand the difficulty that this places both Sunroc and EarthTec in – I am sympathetic to their situation. In discussing this matter with their agents early in the process, they have been both amicable and helpful to us in going through this process – for which I am grateful. But we have purchased a house where the work was left undone or poorly done, we have paid in full for that house, and we are left over tens thousand dollars in liens for work that we specifically paid our general contractor for. The appropriate response to this situation is for the general contractor to pay these amounts – but considering he took the money that was earmarked for insulation from Sunroc by presenting their bill as his own, I doubt he will make good on this. When we confronted him on this, his response was that he knew we had equity in our house and we should take out a second mortgage to pay the subcontractors. We were shocked that he would suggest this, especially since we had paid out according to the contract. Our tight resources since that time has been spent on fixing the problems our contractor caused, getting final grade (still unfinished), dealing with the police (our contractor used our neighbor's property without their permission in building our house and damaged their land – inviting conflict with our neighbors before we even moved in – and he has yet to make good on his promise to them and to us to fix the problems he caused), and dealing with the city because the contractor failed to follow the plans in installing our retaining walls – saving him money and causing damage to our (and our neighbor's) property – meaning, in part, that we have now lost our \$2,000.00 engineering bond. In short, building with this contractor has been a nightmare, and it has required all of our time, money, energy, and effort to deal with the continuing issues raised by his work. It seems wholly unfair for us to be obligated to pay twice for work that we already paid him for, that he took rather than passing along to the subcontractors, and for work that he never completed.

We have tried for a year now to get him back to do simple things – install the doorknobs (or even some doors!), fix the holes in the walls, frame windows that were left exposed to the outside, take tags off of the windows, paint, fix leaks that allow water to pour into our house, install the insulation (that's right – he never even finished the insulation installation that is the nature of the lien – he skipped installing it in a big area of our house that has allowed all of our heat to leave through our roof), and to fix the retaining walls that are already starting to fail because he saved money without us knowing it by improperly installing the walls. We have had an expert review the installation and this expert has told us that our front retaining wall, back patio, and potentially our back retaining wall are all likely to fail as they were all improperly installed in violation of the plans. This expert has also told us that we are looking at tens of thousands of dollars just to fix this one part of his mistake. We have put in thousands of dollars hiring an excavator to do final grade, because the soil was never properly compacted and the new excavator had to remedy damage caused by the contractor cutting corners to save himself money, and it is still not finished. It is absolutely ridiculous.

We are happy to provide any additional information that you need to resolve this, but we hope that it can be resolved soon. We are dealing with a large number of stresses with our new house, and we hope to put this particular issue behind us so that we can try to move forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan A. Cavender'. The signature is fluid and cursive, with a large initial 'J' and a long horizontal stroke extending to the right.

Jonathan A. Cavender

Spreadsheet for Certificate of Compliance

CONTRACTED TO PAY:		AMOUNT PAID:		NET OWING: (\$7,123.01)	
			\$329,829.10 Item Total	Payments	
Permits and Fees	\$17,150.00	Permits and Fees	\$14,604.66	\$14,604.66	paid out of pocket by homeowner Check #2531
Supervision	\$15,150.00	Supervision	\$5,500.00	\$2,500.00	Paid 11/28/12 by bank draw (Partial of \$5,362 payment)
				\$3,000.00	Paid 2/12/13 by bank draw (Labeled contingency)
Contractor's Fees	\$13,380.42	Contractor's Fees	\$5,500.00	\$500.00	Initial Deposit
				\$5,000.00	Paid 3/4/13 by bank draw
Improve Lot with Utilities	\$12,000.00	Improve Lot with Utilities	\$0.00	\$0.00	(Included in Excavation, below)
Trash and Restroom	\$2,424.00	Trash and Restroom	\$0.00	\$0.00	(Included in Supervision, above)
Excavation	\$10,510.50	Excavation	\$22,937.11	\$8,250.00	Paid 11/05/12 by bank draw
				\$2,028.84	Paid 11/28/12 by bank draw
				\$231.88	Paid 1/22/13 by bank draw
				\$11,100.00	Paid 1/22/13 by bank draw (Labeled contingency)
				\$1,328.81	Paid 3/11/13 by bank draw (Labeled contingency)
Water	\$750.75	Water	\$750.75	\$750.75	Paid 1/22/13 by bank draw
Sewer	\$750.75	Sewer	\$750.75	\$750.75	Paid 1/22/13 by bank draw
Power	\$750.75	Power	\$750.75	\$750.75	Paid 1/22/13 by bank draw
Gas	\$1,251.25	Gas	\$1,251.25	\$871.17	Paid 12/21/12 by bank draw
				\$380.08	Paid 12/21/12 by bank draw
Back Fill and Haul Off Dirt (Cost we agreed to bear)	\$3,500.00 \$7,570.00	Back Fill and Haul Off Dirt	\$11,070.00	\$3,500.00	Paid 11/05/12 by bank draw
Footing and Foundation	\$40,400.00	Footing and Foundation	\$57,533.09	\$7,570.00	Paid 11/05/12 by bank draw
				\$6,000.00	Paid 11/05/12 by bank draw
				\$34,400.00	Paid 11/28/12 by bank draw
				\$13,000.00	Paid 11/28/12 by bank draw
				\$4,133.09	Paid 1/22/13 by bank draw (Labeled contingency)
Damp Proofing	\$707.00	Damp Proofing	\$707.00	\$700.00	Paid 11/28/12 by bank draw
				\$7.00	Paid 1/22/13 by bank draw
Window Wells	\$1,500.00	Window Wells	\$1,500.00	\$1,500.00	Paid 11/28/12 by bank draw
Underground Plumbing	\$1,101.10	Underground Plumbing	\$1,101.10	\$1,000.00	Paid 12/21/12 by bank draw
				\$101.10	Paid 1/22/13 by bank draw
Basement Slab	\$7,507.50	Basement Slab	\$10,389.50	\$4,589.50	Paid 11/28/12 by bank draw
				\$2,938.00	Paid 11/28/12 by bank draw
				\$2,862.00	Paid 11/28/12 by bank draw (Partial of \$5,362 payment)
Garage Slab	\$2,189.89	Garage Slab	\$2,189.89	\$2,000.00	Paid 11/28/12 by bank draw
				\$189.89	Paid 1/22/13 by bank draw
Framing Material	\$26,664.00	Framing Material	\$26,664.00	\$8,640.48	Paid 12/21/12 by bank draw
				\$4,522.09	Paid 12/21/12 by bank draw
				\$13,501.43	Paid 1/22/13 by bank draw
Framing Labor	\$20,830.91	Framing Labor	\$20,500.00	\$2,000.00	Paid 11/28/12 by bank draw
				\$10,000.00	Paid 12/21/12 by bank draw
				\$8,500.00	Paid 1/22/13 by bank draw
Trusses	\$7,507.50	Trusses	\$7,507.50	\$5,588.48	Paid 1/22/13 by bank draw
				\$1,939.04	Paid 3/11/13 by bank draw
Roofing Material and Labor	\$7,070.00	Roofing Material and Labor	\$7,000.00	\$7,000.00	Paid 2/12/13 by bank draw
Windows	\$8,008.00	Windows	\$10,037.74	\$7,295.27	Paid 12/21/12 by bank draw
				\$712.73	Paid 1/22/13 by bank draw
				\$2,029.74	Paid 2/12/13 by bank draw
Exterior Doors	\$3,003.00	Exterior Doors	\$3,003.00	\$3,003.00	Paid 3/11/13 by bank draw
Garage Doors (Upgrade we agreed to)	\$3,232.00 \$278.00	Garage Doors	\$3,510.00	\$3,232.00	Paid 3/04/13 by bank draw
HVAC	\$12,812.60	HVAC	\$8,664.00	\$278.00	Paid 3/04/13 by bank draw
Soffit/Fascia	\$1,010.00	Soffit/Fascia	\$3,400.00	\$3,400.00	Paid out of pocket by homeowners Check #226 (Includes gutters) (Included in Soffit, above)
Rain Gutters	\$1,638.20	Rain Gutters	\$0.00	\$0.00	
Plaster Foundation	\$1,060.50	Plaster Foundation	\$0.00	\$0.00	
Stucco	\$10,605.00	Stucco	\$12,500.00	\$5,000.00	Paid 3/04/13 by bank draw
				\$7,500.00	Paid out of pocket by homeowners Check #226
Exterior Concrete	\$10,010.00	Exterior Concrete	\$10,010.00	\$10,010.00	Paid 3/11/13 by bank draw
Sheetrock	\$18,685.00	Sheetrock	\$18,685.00	\$6,000.00	Paid 2/12/13 by bank draw
				\$10,685.00	Paid 3/04/13 by bank draw
Fireplace (Upgrade we agreed to)	\$1,717.00 \$3,297.37	Fireplace	\$5,014.34	\$1,717.00	Paid 3/04/13 by bank draw
				\$3,297.34	Paid 3/11/13 by homeowner credit card
Finish Carpentry Material	\$8,585.00	Finish Carpentry Material	\$8,585.00	\$8,585.00	Paid 3/11/13 by bank draw
Finish Carpentry Labor	\$5,277.25	Finish Carpentry Labor	\$5,277.00	\$5,277.00	Paid 3/04/13 by bank draw
Countertop	\$6,363.00	Countertop	\$6,363.00	\$2,480.00	Paid 3/11/13 by bank draw
				\$3,883.00	Paid 3/11/13 by bank draw
Mirrors	\$505.00	Mirrors	\$0.00	\$0.00	
Bath/Shower Surrounds	\$2,777.50	Bath/Shower Surrounds	\$2,583.00	\$2,583.00	Paid 3/11/13 by bank draw
Shower Door/Hardware	\$1,515.00	Shower Door/Hardware	\$237.00	\$237.00	Paid 3/11/13 by bank draw
Interior Railing	\$3,232.00	Interior Railing	\$0.00	\$0.00	

Payment Due Date	Now Balance	Past Due Amount	Minimum Payment
06/25/13	\$5,554.11	\$0.00	\$111.00

Account number: [REDACTED]
 \$ [REDACTED]

Make your check payable to:
 Chase Card Services.
 Please write amount enclosed.
 Now address or e-mail? Print on back.

[REDACTED] 000111000055541100000000000004

33724 DEX Z 14813 D
 JONATHAN A CAVENDER
 1410 N 1450 E
 PROVO UT 84604-3736



CARDMEMBER SERVICE
 PO BOX 94014
 PALATINE IL 60094-4014

5000 160 28 3592 125 2000 207



Manage your account online: www.chase.com/foedom Customer Service 1-800-524-3880 Additional contact information on back →

ACCOUNT SUMMARY

Account Number: [REDACTED]

Previous Balance	- \$115.67
Payment, Credits	\$0.00
Purchases	+ \$5,669.78
Cash Advances	\$0.00
Balance Transfers	\$0.00
Fees Charged	\$0.00
Interest Charged	\$0.00
New Balance	\$5,554.11

Opening/Closing Date	04/29/13 - 05/28/13
Credit Access Line	\$8,500
Available Credit	\$2,945
Cash Access Line	\$1,700
Available for Cash	\$1,700

PAYMENT INFORMATION

New Balance	\$5,554.11
Payment Due Date	06/25/13
Minimum Payment Due	\$111.00

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$35.00 and your APR's will be subject to increase to a maximum Penalty APR of 29.99%.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	29 years	\$18,038
\$228	3 years	\$8,221 (Savings=\$9,817)

If you would like information about credit counseling services, call 1-866-797-2885.

CHASE FREEDOM: ULTIMATE REWARDS® SUMMARY

Previous points balance	169	Redeeming your points for cash back is easy!
+ 1% (1 Pt)/\$1 earned on all purchases	5,670	For example, 2,000 points = \$20 cash back. To
+ Bonus points from Ultimate Rewards Mall	0	review your reward options visit
= Total points available for redemption	5,839	www.chase.com/freedom

You always earn an unlimited 1% cash back on all your purchases. Activate new bonus categories every quarter, and you'll earn an additional 4% cash back, for a total of 5% cash back on up to \$1,500 spent. Activate for free at chase.com/freedom.

ACCOUNT ACTIVITY

Date of Transaction	Merchant Name or Transaction Description	\$ Amount
PURCHASES		
05/06	ZION UPHOLSTERING INC PROVO UT	5,599.28
05/08	WAL-MART #1768 OREM UT	70.50

2013 Totals Year-to-Date	
Total fees charged in 2013	\$0.00
Total interest charged in 2013	\$0.00

Year-to-date totals reflect all charges minus any refunds applied to your account.

This Statement is a Facsimile - Not an original

Payment Due Date	New Balance	Past Due Amount	Minimum Payment
04/25/13	\$2,208.56	\$0.00	\$44.00

Account number: [REDACTED]

\$

[REDACTED]

Make your check payable to:
Chase Card Services.
Please write amount enclosed.
New address or e-mail? Print on back.

[REDACTED] 00004400002208560000000000000004

44087 EEK Z 08713 D
JONATHAN A CAVENDER
333 W 1800 S
OREM UT 84058-7564



CARDMEMBER SERVICE
PO BOX 94014
PALATINE IL 60094-4014



5000 160 28 20 1 556 1035 48 7



Manage your account online:
www.chase.com/freedom

Customer Service
1-800-524-3880

Additional contact
information on back

ACCOUNT SUMMARY

Account Number:	[REDACTED]
Previous Balance	\$321.30
Payment, Credits	-\$325.00
Purchases	+\$2,212.26
Cash Advances	\$0.00
Balance Transfers	\$0.00
Fees Charged	\$0.00
Interest Charged	\$0.00
New Balance	\$2,208.56

Opening/Closing Date	03/01/13 - 03/28/13
Credit Access Line	\$8,500
Available Credit	\$6,291
Cash Access Line	\$1,700
Available for Cash	\$1,700

PAYMENT INFORMATION

New Balance	\$2,208.56
Payment Due Date	04/25/13
Minimum Payment Due	\$44.00

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$35.00 and your APR's will be subject to increase to a maximum Penalty APR of 29.99%.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	22 years	\$7,004
\$91	3 years	\$3,269 (Savings=\$3,735)

If you would like information about credit counseling services, call 1-866-797-2885.

CHASE FREEDOM: ULTIMATE REWARDSSM SUMMARY

Previous points balance	3,993	Redeeming your points for cash back is easy!
+ 1% (1 pt)/ \$1 earned on all purchases	2,213	For example, 2,000 points = \$20 cash back. To
+ 1% (1 pt)/ \$1 on Ultimate Rewards Travel	0	review your reward options visit
+ Bonus points from Ultimate Rewards Mall	0	www.chase.com/freedom .
= Total points available for redemption	6,206	

You always earn an unlimited 1% cash back on all your purchases. Activate new bonus categories every quarter, and you'll earn an additional 4% cash back, for a total of 5% cash back on up to \$1,500 spent. Activate for free at chase.com/freedom.

ACCOUNT ACTIVITY

Date of Transaction	Merchant Name or Transaction Description	\$ Amount
PAYMENTS AND OTHER CREDITS		
03/25	Payment Thank You - Bill Pay Service	-325.00
PURCHASES		
03/12	WIENERSCHNITZEL #298 OREM UT	3.21
03/16	ZION UPHOLSTERING INC PROVO UT	2,000.00
03/20	THAI VILLAGE - PROVO PROVO UT	16.05
03/23	THRESHER PIANO MOVERS AMERICAN FORK UT	175.00
03/22	MODIFI SALON AND SPA OREM UT	18.00

2013 Totals Year-to-Date	
Total fees charged in 2013	\$0.00
Total interest charged in 2013	\$0.00

Year-to-date totals reflect all charges minus any refunds applied to your account.

This Statement is a Facsimile - Not an original

Zion Upholstering, Inc.
 1480 South State Street
 UT 84606

Invoice

Date	Invoice #
3/26/2013	1749

Bill To
CW Construction LLC 412 No. 1340 E. Provo, Utah 84606

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
110.66	Sq yds Royalty Sierra Madre Blue Haze installed w/ 1/2" 8lb. pad	29.00	3,209.14
136.66	Sq yds Royalty Painted Desert Cambrian installed w/ 1/2" 8lb. pad	29.00	3,963.14
1	Stair Labor Main Floor	85.00	85.00
	Sales Tax	6.75%	0.00
<p>DOES NOT INCLUDE PAD & LABOR FOR LOWER STAIRS AND LOFT AREA.</p>			
		<i>DEPOSIT</i>	<i>2000.00</i>
		Total	\$7,257.28

BAL *5257.28*

APPLICATION FOR PAYMENT

RECOMMENDED FOR APPROVAL

- EXPLANATION REQUIRED-

Claim Report

Informal Claim

Claim Number LRF-2012-1019-08

January 16, 2014

Claim Examined by: Dane

Claimant: Allreds Inc

LRF Registration #: 315250

Registration Date: 10/16/199

Expiration Date: 11/30/2015

Contractor License #:

Issue Date:

Expiration Date:

Claimant Classification: Supplier

Claimant's Attorney: Dana Farmer

Nonpaying Party: Jakes Heating & Air Conditioning Inc

Contractor License # 4764492

NPP Classification: Specialty Contractor

Original Contractor: MT Sterling Construction Inc

Type: Licensed Contractor

Contractor License #: 348744

License Issuance Date: 11/17/1997

License End Date: 11/30/2013

Homeowner(s) Paul & Kari Hoggan

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date Claimant Recorded Lien

2/28/2012

Evidence in support of date: Lien

Date Claimant file civil action or NPP filed bankruptcy: 3/23/2012

Evidence in support of date: Complaint

Number of days difference: 23

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 9/25/2012

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: Judgment

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:	\$ 7,182.09	\$	7,182.09	\$	0.00
Pre-judgment Atty Fees:	1,022.44		1,022.44		0.00
Pre-judgment Costs:	450.32		450.32		0.00
Post-judgment Atty Fees:	0.00		0.00		0.00
Post-judgment Costs:	0.00		0.00		0.00
Interest:	957.39		431.26		-526.13
Totals	\$ 9,612.24	\$	9,086.11	\$	-526.13

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

Evidence of qualified services amount: Judgment

In this case the claimant submitted a judgment in order to establish the qualified services amount. However, the judgment does not establish a payment due date so that interest can be calculated. The Division conditionally denied the application and requested evidence of the payment due date. The claimant submitted evidence that established the payment due date for \$6,946.09 of the \$7,182.09. The Division used to the judgment date to calculate the interest for the \$236 difference. (see the attached interest table)

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$1,077.31

Evidence of pre-judgment costs: Judgment

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

None claimed

Explanation of post-judgment costs:

None claimed

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-2012-1019-08**

Terms of Sale: 10th
 Claim Filing Date: 10/19/2012
 Payment Due Date: 9/10/2011
 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) \$ 431.26

<u>Event Date</u>	<u>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>
9/10/2011	N	Payment due	\$ 5,144.55	5,144.55	0	\$ -
10/10/2011	N	Payment due	214.04	5,358.59	30	13.74
11/10/2011	N	Payment due	33.94	5,392.53	31	14.79
12/10/2011	N	Payment due	1,264.47	6,657.00	30	14.40
1/10/2012	N	Payment due	289.09	6,946.09	31	18.38
3/16/2012	N	Claimant filed lien on residence		6,946.09	66	40.82
3/23/2012	N	Claimant filed complaint against NPP		6,946.09	7	4.33
9/25/2012	N	Claimant obtained judgment against NPP		6,946.09	186	115.04
9/25/2012	N	Payment due	236.00	7,182.09	0	-
10/19/2012	N	Claimant filed application for payment		7,182.09	24	15.35
6/6/2013	Y	Application conditionally denied		7,182.09	230	147.09
9/25/2013	Y	Application denied		7,182.09	111	-
10/25/2013	N	Application remanded back to Division		7,182.09	30	-
12/2/2013	Y	Application conditionally denied		7,182.09	38	24.30
1/7/2014	N	Claimant responded to conditional denial		7,182.09	36	-
2/12/2014	N	Division director authorizes payment		7,182.09	36	23.02

Allocation Schedule
LRF-2012-1019-08
January 10, 2014

Gross Qualified Services for all Related Properties	29,886.33	(1)
Gross Qualified Services for Claim	7,182.09	(2)
Allocation Ratio for Claim Items	0.2403	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	4,254.84	(4)
Costs	1,874.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs		(8)
Allocation of Items		
Pre-Judgment Attorney Fees	1,022.44	(9)=(4)×(3)
Pre-Judgment Costs	450.32	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	-	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2012-1019-11

January 16, 2014

Claim Examined by: Dane

Claimant: Allreds Inc

LRF Registration #: 315250

Registration Date: 10/16/199

Expiration Date: 11/30/2015

Contractor License #:

Issue Date:

Expiration Date:

Claimant Classification: Supplier

Claimant's Attorney: Dana Farmer

Nonpaying Party: Jakes Heating & Air Conditioning Inc

Contractor License # 4764492

NPP Classification: Specialty Contractor

Original Contractor: Visionary Homes LLC

Type: Licensed Contractor

Contractor License #: 629880

License Issuance Date: 08/18/2006

License End Date: 11/30/2015

Homeowner(s) Brandon & Katie Mills

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date Claimant Recorded Lien

2/28/2012

Evidence in support of date: Lien

Date Claimant file civil action or NPP filed bankruptcy: 3/23/2012

Evidence in support of date: Complaint

Number of days difference: 23

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 8/14/2012

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: \$	289.30	\$ 289.30	\$ 0.00
Pre-judgment Atty Fees:	29.84	29.84	0.00
Pre-judgment Costs:	6.25	6.17	-0.08
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	0.00	0.00	0.00
Interest:	29.31	10.84	-18.47
Totals \$	354.70	\$ 336.15	\$ -18.55

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

Evidence of qualified services amount: Invoice

In this case the claimant submitted a judgment in order to establish the qualified services amount. However, the judgment does not establish a payment due date so that interest can be calculated. The Division conditionally denied the application and requested evidence of the payment due date. The claimant submitted evidence that established the payment due date for \$53.30 of the \$289.30. The Division used to the judgment date to calculate the interest for the \$236 difference. (see the attached interest table)

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$43.40

Evidence of pre-judgment costs: Judgment

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

None claimed

Explanation of post-judgment costs:

None claimed

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-2012-1019-11**

Terms of Sale: 10th
 Claim Filing Date: 10/19/2012
 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) \$ 10.84

<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	\$ 53.30	53.30	0	\$ -
2/28/2012	N	Claimant filed lien on residence		53.30	110	0.52
3/23/2012	N	Claimant filed complaint against NPP		53.30	24	0.11
8/14/2012	N	Claimant obtained judgment against NPP	236.00	289.30	144	0.68
10/19/2012	N	Claimant filed application for payment		289.30	66	1.70
6/6/2013	Y	Application conditionally denied		289.30	230	5.92
9/25/2013	Y	Application denied		289.30	111	-
10/25/2013	N	Application remanded back to division		289.30	30	-
12/2/2013	Y	Application conditionally denied		289.30	38	0.98
1/7/2014	N	Claimant responded to conditional denial		289.30	36	-
2/12/2014	N	Division director authorizes payment		289.30	36	0.93

Allocation Schedule
LRF-2012-1019-11
January 13, 2014

Gross Qualified Services for all Related Properties	31,863.55	(1)
Gross Qualified Services for Claim	289.30	(2)
Allocation Ratio for Claim Items	0.0091	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	3,279.00	(4)
Costs	678.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs		(8)
Allocation of Items		
Pre-Judgment Attorney Fees	29.84	(9)=(4)×(3)
Pre-Judgment Costs	6.17	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	-	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2012-1019-13

January 16, 2014

Claim Examined by: Dane

Claimant: Allreds Inc

LRF Registration #: 315250

Registration Date: 10/16/199

Expiration Date: 11/30/2015

Contractor License #:

Issue Date:

Expiration Date:

Claimant Classification: Contractor

Claimant's Attorney: Dana Farmer

Nonpaying Party: Jakes Heating & Air Conditioning Inc

Contractor License # 4764492

NPP Classification: Specialty Contractor

Original Contractor: Visionary Homes LLC

Type: Licensed Contractor

Contractor License #: 629880

License Issuance Date: 08/18/2006

License End Date: 11/30/2015

Homeowner(s) Ryan & Cyndee Fulmer

Abstract and Recommendation

Division's recommended disposition: Approve Partial Payment

Detailed Analysis and Findings of Facts

Date Claimant Recorded Lien

2/28/2012

Evidence in support of date: Lien

Date Claimant file civil action or NPP filed bankruptcy: 3/23/2012

Evidence in support of date: Complaint

Number of days difference: 23

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 8/14/2012

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: Judgment

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: \$	4,419.12 \$	4,419.12 \$	0.00
Pre-judgment Atty Fees:	454.80	454.80	0.00
Pre-judgment Costs:	95.29	94.04	-1.25
Post-judgment Atty Fees:	0.00	0.00	0.00
Post-judgment Costs:	0.00	0.00	0.00
Interest:	446.80	267.20	-179.60
Totals \$	5,416.01 \$	5,235.16 \$	-180.85

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

Evidence of qualified services amount: Invoice

In this case the claimant submitted a judgment in order to establish the qualified services amount. However, the judgment does not establish a payment due date so that interest can be calculated. The Division conditionally denied the application and requested evidence of the payment due date. The claimant submitted evidence that established the payment due date for \$4,183.12 of the \$4,419.12. The Division used to the judgment date to calculate the interest for the \$236 difference. (see the attached interest table)

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$662.87

Evidence of pre-judgment costs: Judgment

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

None Claimed

Explanation of post-judgment costs:

None Claimed

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-2012-1019-13**

Terms of Sale: 10th
Claim Filing Date: 10/19/2012
Payment Due Date: 9/10/2011
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) \$ 267.20

<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>
9/10/2011	N	Payment due	\$ 3,322.82	3,322.82	0	\$ -
11/10/2011	N	Payment due	860.30	4,183.12	61	18.05
1/28/2012	N	Claimant filed lien on residence		4,183.12	79	29.43
3/23/2012	N	Claimant filed complaint against NPP		4,183.12	55	20.49
8/14/2012	N	Claimant obtained judgment against NPP		4,183.12	144	53.64
8/14/2012	N	Payment due	236.00	4,419.12	0	-
10/19/2012	N	Claimant filed application for payment		4,419.12	66	25.97
6/6/2013	Y	Application conditionally denied		4,419.12	230	90.50
9/25/2013	Y	Application denied		4,419.12	111	-
10/25/2013	N	Application remanded back to Division		4,419.12	30	-
12/2/2013	Y	Application conditionally denied		4,419.12	38	14.95
1/7/2014	N	Claimant responded to conditional denial		4,419.12	36	-
2/12/2014	N	Division director authorizes payment		4,419.12	36	14.17

Allocation Schedule
LRF-2012-1019-13
January 13, 2014

Gross Qualified Services for all Related Properties	31,863.55	(1)
Gross Qualified Services for Claim	4,419.12	(2)
Allocation Ratio for Claim Items	0.1387	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	3,279.00	(4)
Costs	678.00	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees		(7)
Costs		(8)
Allocation of Items		
Pre-Judgment Attorney Fees	454.80	(9)=(4)×(3)
Pre-Judgment Costs	94.04	(10)=(5)×(3)
Post-Judgment Attorney Fees	-	(11)=(7)×(3)
Post-Judgment Costs	-	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

APPLICATION FOR PAYMENT

RECOMMENDED FOR APPROVAL

- NO EXPLANATION REQUIRED-

Claim Report

Informal Claim

Claim Number LRF-2013-0712-01

February 5, 2014

Claim Examined by: Dane

Claimant: Hendricksen Roofing LLC

LRF Registration #:

Registration Date:

Expiration Date:

Contractor License #: 251702

Issue Date: 4/21/1992

Expiration Date: 11/30/2013

Claimant Classification: Contractor

Claimant's Attorney: John Young

Nonpaying Party: D Z Home Improvement LC

Contractor License # 250055

NPP Classification:

Original Contractor: D Z Home Improvement LC

Type: Licensed Contractor

Contractor License #: 250055

License Issuance Date: 11/19/1991

License End Date: 11/30/2013

Homeowner(s) Kip & Lynda Smith

Abstract and Recommendation

Division's recommended disposition: Approve Full Payment

Detailed Analysis and Findings of Facts

Date Claimant Recorded Lien

11/23/2011

Evidence in support of date: Lien

Date Claimant file civil action or NPP filed bankruptcy: 5/18/2012

Evidence in support of date: Complaint

Number of days difference: 176

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:	\$	5,160.00	\$	5,060.00	\$	-100.00
Pre-judgment Atty Fees:		0.00		0.00		0.00
Pre-judgment Costs:		0.00		0.00		0.00
Post-judgment Atty Fees:		0.00		0.00		0.00
Post-judgment Costs:		0.00		0.00		0.00
Interest:		167.70		339.71		172.01
Totals	\$	5,327.70	\$	5,399.71	\$	72.01

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

Evidence of qualified services amount: Invoice

The invoice submitted as evidence of "qualified services" includes a \$100 lien fee. The Division finds that a "lien fee does not qualify as "qualified services" as defined by UCA 38-11-102 (20).

Evidence of pre-judgment attorney fee amount: Judgment

Attorney fees limit per Utah Code Ann. § 38-11-203(3)(f) \$759.00

Evidence of pre-judgment costs: Other (see comments)

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-0712-01**

Terms of Sale: Upon Receipt
 Claim Filing Date: 7/12/2013
 Payment Due Date: 10/19/2011
 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) \$ 339.71

<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>
10/19/2011	N	Payment due	\$ 5,060.00	5,060.00	0	\$ -
11/23/2011	N	Claimant filed lien on residence		5,060.00	35	15.77
5/18/2012	N	Claimant filed complaint against NPP		5,060.00	177	79.75
5/8/2013	N	Claimant obtained judgment against NPP		5,060.00	355	159.94
7/12/2013	N	Claimant filed application for payment		5,060.00	65	29.29
10/2/2013	Y	Application conditionally denied		5,060.00	82	36.94
12/3/2013	N	Claimant responded to conditional denial		5,060.00	62	-
1/3/2014	Y	Application conditionally denied		5,060.00	31	13.97
2/3/2014	N	Claimant responded to conditional denial		5,060.00	31	-
2/12/2014	N	Division director authorizes payment		5,060.00	9	4.05

Claim Report

Informal Claim

Claim Number LRF-2013-1031-01

January 16, 2014

Claim Examined by: Dane

Claimant: ProBuild Company LLC

LRF Registration #:

Registration Date:

Expiration Date:

Contractor License #: 7919125

Issue Date: 2/24/2011

Expiration Date: 11/30/2015

Claimant Classification: Contractor

Claimant's Attorney: Jason Robinson

Nonpaying Party: SMA Enterprises Inc dba Elite Builders Group

Contractor License # 7806577

NPP Classification: Home Builder

Original Contractor: SMA Enterprises Inc dba Elite Builders Group

Type: Licensed Contractor

Contractor License #: 7806577

License Issuance Date: 01/13/2011

License End Date: 12/12/2012

Homeowner(s) Bryan & Kari Anderson

Abstract and Recommendation

Division's recommended disposition: Approve Full 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: 8/16/2012

Evidence in support of date: Complaint

Number of days difference: 34

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 11/1/2012

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:	\$	5,907.04	\$	5,907.04	\$	0.00
Pre-judgment Atty Fees:		294.89		294.89		0.00
Pre-judgment Costs:		0.00		0.00		0.00
Post-judgment Atty Fees:		383.04		383.34		0.30
Post-judgment Costs:		15.93		15.93		0.00
Interest:		191.61		414.99		223.38
Totals	\$	6,792.51	\$	7,016.19	\$	223.68

* 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) \$886.06

Evidence of pre-judgment costs: Judgment

Evidence of post-judgment attorney fees: Attorney's Affidavit

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-1031-01**

Terms of Sale: N30
 Claim Filing Date: 10/31/2013
 Payment Due Date: 12/16/2011
 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) \$ 414.99

<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>
12/16/2011	N	Payment due	\$ 5,907.04	5,907.04	0	\$ -
8/16/2012	N	Claimant filed complaint against NPP		5,907.04	244	128.34
11/1/2012	N	Claimant obtained judgment against NPP		5,907.04	77	40.50
10/31/2013	N	Claimant filed application for payment		5,907.04	364	191.45
12/2/2013	N	Application conditionally denied		5,907.04	32	16.83
12/11/2013	N	Claimant responded to conditional denial		5,907.04	9	4.73
2/12/2014	N	Division director authorizes payment		5,907.04	63	33.14

Allocation Schedule
LRF-2013-1031-01
January 14, 2014

Gross Qualified Services for all Related Properties	138,445.28	(1)
Gross Qualified Services for Claim	5,907.04	(2)
Allocation Ratio for Claim Items	0.0427	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	6,906.00	(4)
Costs	-	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees	8,977.50	(7)
Costs	373.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	294.89	(9)=(4)×(3)
Pre-Judgment Costs	-	(10)=(5)×(3)
Post-Judgment Attorney Fees	383.34	(11)=(7)×(3)
Post-Judgment Costs	15.93	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)

Claim Report

Informal Claim

Claim Number LRF-2013-1031-02

January 16, 2014

Claim Examined by: Dane

Claimant: ProBuild Company LLC

LRF Registration #:

Registration Date:

Expiration Date:

Contractor License #: 7919125

Issue Date: 2/24/2011

Expiration Date: 11/30/2015

Claimant Classification: Contractor

Claimant's Attorney: Jason Robinson

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: 12/12/2012

Homeowner(s) Brett and Melanie Smith

Abstract and Recommendation

Division's recommended disposition: Approve Full Payment

Detailed Analysis and Findings of Facts

Date of Final Completion of Contract

1/27/2012

Evidence in support of date: C of O

Date Claimant file civil action or NPP filed bankruptcy: 8/16/2012

Evidence in support of date: Complaint

Number of days difference: 201

Did Claimant obtain judgment against NPP? Yes

Date Claimant obtained judgment or NPP filed for bankruptcy 11/1/2012

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: \$	15,096.41	\$ 15,096.41	\$ 0.00
Pre-judgment Atty Fees:	752.75	752.75	0.00
Pre-judgment Costs:	0.00	0.00	0.00
Post-judgment Atty Fees:	977.78	978.55	0.77
Post-judgment Costs:	40.66	40.66	0.00
Interest:	489.10	1,037.61	548.51
Totals \$	17,356.70	\$ 17,905.98	\$ 549.28

* 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) \$2,264.46

Evidence of pre-judgment costs:

Evidence of post-judgment attorney fees: Attorney's Affidavit

**Schedule of Interest
All Payments Due in Same Calendar Year
LRF-2013-1031-02**

Terms of Sale: N30
Claim Filing Date: 10/31/2013
Payment Due Date: 12/19/2011
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) \$ 1,037.61

<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>
12/16/2011	N	Payment due	\$ 8,919.68	8,919.68	0	\$ -
12/23/2011	N	Payment due	113.93	9,033.61	7	5.56
12/26/2011	N	Payment due	3,800.00	12,833.61	3	2.41
12/27/2011	N	Payment due	246.55	13,080.16	1	1.14
1/8/2012	N	Payment due	640.68	13,720.84	12	13.98
1/10/2012	N	Payment due	150.64	13,871.48	2	2.44
1/14/2012	N	Payment due	292.06	14,163.54	4	4.94
3/31/2012	N	Payment due	932.87	15,096.41	77	97.11
8/16/2012	N	Claimant filed complaint against NPP		15,096.41	138	185.50
11/1/2012	N	Claimant obtained judgment against NPP		15,096.41	77	103.50
10/31/2013	N	Claimant filed application for payment		15,096.41	364	489.29
12/12/2013	Y	Application conditionally denied		15,096.41	42	56.46
12/18/2013	N	Claimant responded to conditional denial		15,096.41	6	-
2/12/2014	N	Division director authorizes payment		15,096.41	56	75.28

Allocation Schedule
LRF-2013-1031-02
December 19, 2013

Gross Qualified Services for all Related Properties	138,445.28	(1)
Gross Qualified Services for Claim	15,096.41	(2)
Allocation Ratio for Claim Items	0.1090	(3)=(2)÷(1)
Pre-Judgment Items (total items if no judgment)		
Attorney Fees	6,906.00	(4)
Costs	-	(5)
Payments Received (if any)	-	(6)
Post-Judgment Items		
Attorney Fees	8,977.50	(7)
Costs	373.00	(8)
Allocation of Items		
Pre-Judgment Attorney Fees	752.75	(9)=(4)×(3)
Pre-Judgment Costs	-	(10)=(5)×(3)
Post-Judgment Attorney Fees	978.55	(11)=(7)×(3)
Post-Judgment Costs	40.66	(12)=(8)×(3)
Payments Received	-	(12)=(6)×(3)