

This is a communication with Liscott where they are asking us to tell the bank to misallocate funds. Liscott sent us bills for overcharges, but since we had already used the contingency funds in the build account for previous overcharges, the bank won't issue a payment for any work outside of the pre-approved areas of the build. So, Liscott wanted us to tell the bank the funds being requested on this draw were for construction of exterior features of the home. In reality, these funds were being used directly by Liscott for what they claimed were cost overruns. Our contract stated that we were to approve any of these overruns in advance in writing. This never happened. In fact, aside from a price increase from the modular builder due to changes we made, we never approved of any cost overruns. Despite multiple requests, we also never saw any invoice or bill from any vendor or subcontractor supporting these claimed cost increases. To this date, Liscott hasn't provided us with a single receipt.

(no subject)

External

Liscott Customers/Leads



**Rob Cowley** <rob@liscott.com>

Apr 5,  
2022,  
3:06 P  
M

to Ben, Jon

Ben,

We have created a color coded spreadsheet to help break down all of the extra costs, fees, etc. on the project and how to move forward. I know monies are tight and we are doing all we can to get you in and get us out of there soon as possible. We have not sent this to the bank!

The yellow are items you have already paid for, minus the \$11,300.00 short fall that you need to have covered by April 12th. This includes all the appliances, heritage add ons, price increase from heritage, pano doors, etc.

The red are items we are incurring now or will before the end of April to complete the work. We can push the concrete patios off but weather will dictate scheduling of concrete. As you can see, you will have approx 35k in costs, if we bill for these as change order then these will need to be paid before the end of April. Assuming cash flow situation we need to look at using the bank monies to cover for now and replace them later, is this correct? Example being: We use some of the metal roof monies for Lumber Surcharge, we use some of the Stone on the house monies for Trus, dormers, snow removal, etc. This would allow us to bill for our costs out of pocket now and keep current and allow you additional time to come up with the other funds to put back towards the items we borrow from. Please let me know if this process makes sense.

Green items are possible future items. This includes any further lumber increases for remaining lumber packs, metal roof increases, culdesac repairs for the county and if the county makes. I have also put some preliminary numbers in there for sheet rock in the basement if they make you complete this for final. Your plans call out an unfinished basement, I do not see how they can make you sheetrock the basement and garage however, they have these loopholes in Summit County regarding sq footage and fire department distances. This will need to be addressed with the county at Final CO time I am assuming. This column is one we will update and change as we find out exactly what the county wants done, if we can save any money we can address them in this column as well.

The clear column simply represents all of the items that have been added to the contractor or budget after the fact and out of the control of LCH. This is to simply help us keep track of where we are at with the real number of items in our control. This is a reference column.

In Summary we need to be able to borrow from the Schedule of Values approx 30k this draw, we will in house use these monies to cover the overages todate and keep us moving forward. By doing this, it will give you more time to come up with some cash to help cover the actual items in 60 days. Other option, we show the changes now, you have to come up with the shortfall in full before the bank releases any monies. Obviously this will not work for anyone at this time.

If you are good with this approach, we will get the draw submitted to the bank today so we can have funds on or before the April 15th deadline.

Please let us know as soon as possible on how to proceed, time is always knocking on the door.

Let me know if you have any questions.



**Rob Cowley**

**Project Manager**

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**One attachment** • Scanned by Gmail

**B**

**Ben Smith** <[ben@firesmithtools.com](mailto:ben@firesmithtools.com)>

Apr 5,  
2022,  
3:50 P  
M

to me

Ok, I'll review this. Can we get the home done for the additional \$35k? We will certainly need to push it off as long as possible

Ben Smith  
FireSmith Pyrotechnic Tools  
FireSmith Pro Scooter  
FireSmith Manufacturing