

*Reliable Expertise
Relentless Excellence*



Summit Housing Group
283 W. Front Street, Suite 1
Missoula, MT 59802
Attn: Phil Williams
Re: Lyons Valley Townhomes

June 8, 2021

Dear Phil,

As requested, please find below and attached summary of costs changes since last winter. Most of the increases have been due to Covid related supply/demand/shortages/delivery/cost escalation issues. Unprecedented material and labor costs have clearly affected the construction market and upcoming projects.

The attached summary illustrates the last 3 pricing updates since last winter and a projection where the prices may be this month. Until contracts & materials can be secured and paid for, we are unable to lock in final amounts.

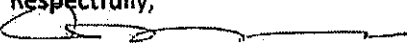
I have also included below some of the main risk factors & allowances that still may fluctuate due to site conditions and commodity markets. These were incorporated in our proposal letter dated April 29, 2021

To clarify, I have excluded the utility provider costs such as N-line, Lyons communications, CenturyLink, Poudre Valley Electrical and Xcel energy.

- **Site Risk Factors**
 - Site grading is expected to balance – no import or export included
 - Mass Excavation not to exceed 60,100 Cyds
 - Assumes suitable on-site backfill material for foundations / slabs
 - Assumes suitable on-site material for grading of road & infrastructure

- **Allowances**
 - All lumber, EWP, fasteners, sheathing, siding, etc– due to volatility \$1,500,000
 - Landscaping / Irrigation, includes soil in planters \$235,000
 - Winter & weather protection \$50,000
 - Rock excavation \$50,000
 - Approx 3,500 LF trenching conduit & backfill for power company (1 4" conduit) \$75,000
 - Subcontracts - due to market & material volatility
 - Rough Carpentry - Labor \$730,535
 - Doors, frames, hardware – Materials \$215,044
 - Electrical Labor & materials \$725,200

Respectfully,


Craig R. Benes
President