

State of New Hampshire)
Sullivan County) ss

SWORN STATEMENT

I, Kim Hentschel, state the following on oath, which I know on personal knowledge. All page references are to the control numbers on Vermont Timber Works file.

1. I worked at Vermont Timber Works, Inc. ("VTW") from approximately July 1999 to September 2003. My title was Director of Sales and Marketing. My function was to take information from a prospective customer and develop a concept and budget so that the designer could design a timber frame, and then to manage the customer's project through the sale and erection.

2. I was the customer representative with primary responsibility for the Stan Isbitski project. Stan's style was that he preferred to phone or just show up unannounced. He required lots of attention. There were times when I was on the phone, in a meeting, or in the middle of a bid project, and he would show up unannounced, having to wait for a period of time before I could spend time with him. He frequently wandered into the office and helped himself to the use of our facilities, copier and facsimile without telling anyone.

3. Based on my memory and a review of the file, I believe my first contact with Stan was in approximately December 2000. A December 8, 2000 document (125) references a 12/4/00 shop visit. On December 8, 2000, I sent Stan my initial summary letter (112), together with our rough budget proposal (125), which was computed solely from the indicated square footage. It is important to note that in that initial letter, I recommended a local architect. If Stan indicated that he was going to use the Timberpeg design, why would I have recommended an architect? This architect would be used to develop the floor plans and elevations. VTW designs only the timber frame portions, and Doug Friant would be responsible for the timber frame design. During later conversations with Stan, he felt that an architect would not be necessary for the development of any further details. Since he was a contractor, he expressed that only the timber frame design would be needed. Stan stated that he would construct all interior wall spaces, kitchen layouts, etc. at the site, and during the construction of the project. My 12/6/00 backup computations for this proposal are pages 157-159, and it looks like I prepared a 12/6/00 draft (126 before updating my proposal on 12/8/00 as 125.

4. For the initial meeting – apparently in December 2000 – Stan simply came into the office with no appointment or introduction. He spent about 3 hours with me. He told me he was a widower with two grown children, he owned a contracting business, an extensive car collection, property in NJ, PA, and I believe the Bahamas. He owned property in Salisbury, NH, and had developed a layout for the house plan with his wife when she was alive, and wanted to do it anyway despite her death so that his children could come there to visit him. His plan was to have us do the timber frame but to

construct the interior and the traditional portions himself, since he was himself a contractor.

5. At this initial meeting he brought a Hearthstone photo and another page from the Hearthstone catalogue, which showed the way he wanted the timberframe, and had me copy the Hearthstone photo. In that initial meeting he also showed me a set of Timberpeg drawings. He said he was very frustrated because Timberpeg wouldn't give him the frame design he wanted, and wasn't spending enough with him to understand what he wanted. He said he did not want to use this Timberpeg design. These plans were dated prior to the time of our meeting. I believe he took his Timberpeg drawings with him at the end of this meeting, although it is possible he may have left them with me for a couple of days. I did not use them as he indicated the Timberpeg concept was not what he wanted. He did not like the Timberpeg design, and he also liked the fact that VTW's beams were hand-crafted, using traditional joinery, with mortise, tenons, and hardwood pegs, dovetailed joists, and finished, whereas Timberpeg's were machine cut. He also liked the fact that we had our in-house assembly and erection crew. The same crew responsible for the shop fabrication of his frame, would be the same crew sent to the site for the assembly and the erection of his frame. He stated that Timberpeg did not have an in-house crew, and that a crew of sub-contractors would be needed in order to raise his frame if he chose to use Timberpeg .

6. Also at the first meeting he told me the dimensions of his plan, so that we could make some initial rough sketches which are referred to in Document 125, and I would have used this to create the initial rough budget based on these parameters. I computed 4096 square feet, and based on that and other information we generated together produced the initial budget estimate dated 12/8/00 (125), which I mailed to him with my 12/8/00 letter (112).

7. From the start Stan wanted a primary "bent" system, as shown in the magazine article with the Heartstone photo, which is the type of frame VTW designs. The Timberpeg design was a primary purlin – secondary rafter system, which VTW does not design.

8. My early meetings or phone calls with Stan also resulted in the following notes:

- I noted he wanted purlins, 8 feet on center, eliminate rafters, matching Hearthstone's [Hearthstone] photos, and would use Douglas fir. (110)
- Stan was waiting for concrete prices, 12/14/00 & 1st week of Jan. 2001. (109)
- 1/4/01, Stan indicated he would come to finalize with us, and had been given verbal permission by the Town to build the barn (garage?) and was waiting for financing. (107)

9. This barn was to be built along with the house, but not at the same time. In fact, Doug will remember that we gave Stan a copy of the Dorset Barn, Perkins Residence plans. This was a barn we supplied for clients in Dorset, VT. He had a place on his property with a sloping grade where he thought he could place a similar style of a barn. He was going to use the downstairs portion of the barn to store some of his car collection, and the upstairs as additional office/guest space. In addition to his family, he wanted his employees to come over, spend time fishing with him, and use this barn as extra guest space. I believe he did not return a copy of these plans to our office, and he may have even filed these plans with the Town. See my notes on 12/6/01 about barn details at end of message that Wayne took for me.

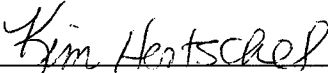
10. There is a note (106) that I mailed him something on 5/25/01, but I don't see them in the file. I do have budget estimates dated 5/30/01 (151-156) and 6/11/01 (145-150), which have only minor differences. Both of these budgets are based on a primary bent design. Pages 148-149 even have my handwriting showing which bent designs were used for bents 1-5, and the braces and bays. This concept is entirely different from Timberpeg's design, which was based on primary purlins and secondary rafters, not bents.

11. On March 8, 2002 Stan agreed to purchase the VTW timber frame. I sent him a cover letter (102), and an enclosed 3/7/02 contract (029), which he signed after striking the \$6,500 option for the master bedroom on 3/9/02 (037). This contract is based on the VTW bent design, as shown by the 5-bent specification, the Custom Cut, #1 & Better Douglas Fir, FOHC timbers, planed and chamfered timbers, dovetailed joists, the VTW traditional joinery, and the finished timbers, none of which Timberpeg offered to Stan.

12. Based on the contract, VTW updated its shop drawings for its timber frame design, which are dated 3/25/02, and which are based on the VTW bent concept.


13. On March 6, 2004, I was shown Timberpeg preliminary drawings dated 4/20/01. These drawings are based on a primary purlin – secondary rafter design and are entirely different from the VTW design. I have no recollection of having seen them.

14. I never had any contact with the Town of Salisbury.



Kim Hentschel

Signed and sworn to before
me this 16 day of June 2004



Notary Public

WENDI JEAN CURTIS, Notary Public
My Commission Expires December 4, 2007