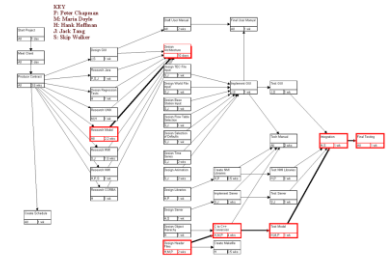


What to expect in the Express Start Process

Congratulations on getting through the home design process. Now that your home plans are complete we will begin the Express Start Process. To make sure the Express Start process goes as smooth as possible we wanted to take this time to set your expectations on many items that may come up during the process.

Schedule – Until the building permit is issued it is very hard to nail down an accurate Express Start schedule. Until we have a permit we cannot tell the excavator a firm start date or the foundation contractor when to plan on pouring the foundation. Once we can see that the pieces are starting to fall into place we will start to give you date ranges and then as the activities near they will become more accurate.



A little about Subcontractors - Building custom

homes is not like building homes in a production neighborhood where sub-contractors can finish one house and walk to their next house *literally* next door.

Sub-contractors that build custom homes are (1) More limited in supply, (2) Cover much bigger geographical areas and must complete each job they are on before moving onto the next, (3) Cost more than production sub-contractors due to fewer jobs, and (4) Tend to be smaller and have an owner who typically works in his/her business.

What this means is that there will be times where we could be waiting on a sub-contractor(s) to complete another job before they can come to your home. This is normal in custom home building and we, as you, will probably find it frustrating at some point in the process when there are times of limited progress.

Excavation - During the excavation of your home it is likely that we will various encounter site conditions like boulders, bed rock, and differences in the topography that the home was designed to and that which we actually find on site. If this happens we will make minor adjustments to elevations and exact location to avoid the extreme cost of removing the boulders or bed rock and additional survey work. Elevations for garage entrances will be prioritized so we do not affect the designed driveway grades and any views that you wanted out your windows will remain. Often times we can avoid the costly expense of extra excavation, surveying and blasting with minor adjustments.

Foundation - During the installation of the foundation of your home it may be necessary to make minor modifications to the design to bet fit in into the provided excavation. When we do this, we will always consult with the design engineer for their guidance.

Who can give direction on-site – This is something that we have dealt with many times and we need to make sure you understand that up until the Express Start process is over a RMHB company representative is the only one that can give sub-contractors direction. You will probably get the chance to talk to some of the Sub contractors which is great as many of them love to explain what they do. You will need to resist the urge to modify or change their work. We have seen this happen many times. A homeowner will tell a sub-contractor to build a foundation wall higher, add a person door knock out to a garage, build a berm with some extra dirt, or extend a foundation retaining wall. There are two things that happen when you do this. (1) When you tell a sub-contractor to make a change they will interpret it as your approval for any addition cost associated with that change (whether cost is discussed or not) and you may have just approved that cost and (2) you may have made a change that has consequences that are unrelated to what the sub-contractors work covers (usually these are building code issues). Please do not make changes or give direction to sub-contractors during the Express Start process as it almost always ends badly.



Change Orders – During the course of our services change orders may happen and will fit into one of several different categories.

1. No charge change order – These will be issued to clarify items in the construction prints and other documents. There are often discrepancies that get flushed out during construction. We will send the major items to you for clarification to let you know what changes are being made. Minor items we will handled by our staff.
2. Item added change order – this is the traditional change order concept. This will be issued if you would like to change something and there is a cost to change it. This would be for example if you ask for a different height of foundation wall, or to add a retaining wall wing.
3. Credit change order – this most often will be to remove something from our scope of work.
4. Cost increase change order – this one is one that we do not like to write and will avoid if at all possible. This change order is issued if the allowance for an item is not enough to cover its total cost.



Change order Request – If you would like to change something, we require that you fill out one of our change order request forms. This is how we officially track change order request. Please do not email or simply tell one of our employees verbally as it will not successfully get it logged into our system. Let us know if you need the form.

Hiring subcontractors to do additional work - Our contract states that during the Express Start process the Owner is not allowed to hire any of the contractors that we have hired to do additional work during the Express Start process. We need to remind you of that. We have seen owners over the years to try and get many things on the side from subcontractors. Once the home is set and our Express Start Services are complete you are more than welcome to contract with whomever you want to complete your home. Until that time if you would like to make changes please submit a change order request and we will try and accommodate the additional work.



What's going on? – This item largely depends on the personality of the owner. Some owners want to know as little as possible; others want to know every detail along the way. We do our best to strike a balance between keeping the owner informed and keeping the construction project moving. We will do our best to keep you informed with our Friday reports and answering some questions along the way. With the construction schedule we need you to understand that we will at times be waiting on subcontractors.

Subcontractors do not work for just us, and these days they certainly are not sitting around at home waiting to get a call to come work on just your home. What this means is that we have to get in line. We will be doing our absolute best to keep their work affordable and available when we need them.

Allowances – At this point we have an approved allowance schedule for the Express Start services we will be completing as a sub-contractor. At this stage we have reviewed your Express Start allowance schedule against historical cost from past jobs and have also have received bids on some of the biggest components in that allowance schedule. However, there is the possibility that an allowance will not be sufficient to cover the specific activity. If this is the case we will hold up on authorizing the work for that activity, make sure we have gotten the best bids possible, and if still necessary we will issue a change order to increase the allowance to cover the updated cost of the new activity. We, just like you, want all of the allowances to cover the activities but that is not a promise we can make.



Allowance Tracking - During construction we will be submitting invoices to you for payments. History has shown us that as you receive invoices throughout your project, and possibly approve any change orders as well, it is critical that you track your construction budget in detail for a successful project.

Owner _____ Owner _____