

Construction of Your Home

The construction of a new home differs from other manufacturing processes in several ways. By keeping these differences in mind, you can enjoy participating in the construction process and assist us in building your new home:

- * As a consumer, you rarely have the opportunity to watch as the products you purchase are created. Your new home is created in front of you.
- * You have more opportunity for input into the design and finish details of a new home than for most other products. Our success in personalizing your home depends on effective communication.
- * Because of the time required for construction, you have many opportunities to view your home as it is built, ask questions, and discuss details.

You have the opportunity to meet with us at several points in this process. The first of these meetings, where we review your home plans, selections, and the changes you have requested. At that time, we provide an overview of the construction process and answer your questions.

We also invite you to schedule routine construction reviews. At these meetings, you will have our undivided attention. We discuss questions you have, review the target delivery date, and confirm that we have correctly installed your selections or change orders. Please bring this manual to all scheduled meetings.

We understand that you will want to visit your new home between these construction reviews. Whether you are on site for a routine meeting or a casual visit, we ask that you keep the following points in mind.

Safety

A new home construction site is exciting, but it can also be dangerous. Your safety is of prime importance to us. Therefore, we must require that you contact Blue Crest before visiting your site. We reserve the right to require that a member of our staff accompany you during your visit. Please observe common-sense safety procedures at all times when visiting:

- * Keep older children within view and younger children within reach, or make arrangements to leave them elsewhere when visiting the site. .
- * Do not walk backward, even one step. Look in the direction you are moving at all times.
- * Watch for boards, cords, tools, nails, or construction materials that might cause tripping, puncture wounds, or other injury.
- * Do not enter any level of a home that is not equipped with stairs and railings.
- * Stay a minimum of six feet from all excavations.
- * Give large, noisy grading equipment or delivery vehicles plenty of room. Assume

that the driver can neither see nor hear you.

Plans and Specifications

The building department of the city or county where your home is to be located must review and approve the plans and specifications for your home. We construct each home to comply with the plans and specifications approved by the applicable building department. Your specifications become part of our agreements with trade contractors and suppliers. Only written instructions from Blue Crest can change these contracts.

Regulatory Changes

From time to time, city or county agencies adopt new codes or regulations that can affect your home. Such changes are usually adopted in the interest of safety and are legal requirements with which Blue Crest must comply. The codes and requirements in effect for each area can vary. Therefore, builders may construct the same floor plan slightly differently in two different jurisdictions or at two different times within the same jurisdiction.

Individual Foundation Designs

Another area where variations among homes can appear is in the foundation system. The foundation design is specific to each lot. Based on the results of a soil test, an engineer determines which foundation system to use how to use it. Because of variations in grading and field conditions among lots, your foundation may differ from your neighbors' foundation or that of the same home in another neighborhood.

Changes in Materials, Products, and Methods

The new-home industry, building trades, and product manufacturers are continually working to improve methods and products. In addition, manufacturers sometimes make model changes that can impact the final product. As a result, we may use methods or materials in your home that differ from those in our other homes.

In all instances, any substitution of method or product will have equal or better quality than that shown in our other homes. Since such substitutions or changes may become necessary due to matters outside our control, we reserve the right to make them without notification.

Natural Variations

Dozens of trade contractors have assembled your home. The same individuals rarely work on every home in the same way and, even if they did, each one would still be unique. The exact placement of switches, outlets, registers, and so on will vary slightly from the model and other homes of the same floor plan.

Quality

Our company will build your new home to the quality standards demonstrated in our model homes. Each new home is a handcrafted product combining art, science, and raw labor. The efforts of many people with varying degrees of knowledge, experience, and skill come together. We coordinate and supervise these contributions to produce your new home.

From time to time during a process that takes several months and involves dozens of people, an error or omission may occur. We inspect our homes to help ensure that the level of quality meets our requirements. In addition, the county, township, or an engineer conducts a number of inspections at different stages of construction. Your home must pass each inspection before construction continues.

We also respect your interest and appreciate your attachment to the new home. Therefore, your input into our system is welcome. However, to avoid duplication of efforts, confusion, misunderstandings, or compounding errors, we ask that you bring your concern up at one of the scheduled construction reviews.

During the construction process, every home being built experiences some days when it is not at its best. Homes under construction endure wind, rain, snow, foot traffic, and activities that generate noise, dust, and trash. Material scraps are a by-product of the process. Although your new home is cleaned by each trade upon completion of their portion of the work, during your visits you will encounter some messy moments. Keep in mind that the completed homes you toured also once endured these ugly duckling stages.

Trade Contractors

Your home is built through the combined efforts of specialists in many trades from excavation and foundation, through framing, mechanicals, and insulation, to drywall, trim, and finish work. In order to ensure you the highest possible standard of construction, only authorized suppliers, trade contractors, and Blue Crest employees are permitted to perform work in your home.

Suppliers and trade contractors have no authority to enter into agreements for Blue Crest. For your protection and theirs, the terms of our trade contractor agreements prohibit alterations without written authorization from Blue Crest. Their failure to comply with this procedure can result in termination of their contract. See us if there are alterations or changes you wish to initiate.

Schedules

The delivery date for your new home begins as an estimate. Until the roof is on and the structure is enclosed, weather can dramatically affect the delivery date. Even after the home itself is past the potential for weather-related delays, weather can

severely impact installation of utility services, final grading, and concrete flatwork, to mention a few examples. Extended periods of wet weather or freezing temperatures bring work to a stop in the entire region. When favorable conditions return, the trades people go back to work, picking up where they left off. Please understand that they are as eager as you are to get caught up and to see progress on your home.

Delivery Date Updates

We will update you on the estimated delivery date on a regular basis. You are also welcome to check with us for the most current target date. As completion nears, more factors come under our control and we can be more precise about that date. Expect a firm closing date no later than 45 days before delivery.

We suggest that, until you receive this commitment, you avoid finalizing arrangements for your move. Until then, flexibility is the key to comfort, sanity, and convenience. We want you to enjoy this process and avoid unnecessary stress caused by uncertainty that cannot be avoided. Review the Loan Lock heading in Section 3, Applying for Your Loan, for additional suggestions on this topic.

"Nothing's Happening"

Expect several days during construction of your home when it appears that nothing is happening. This can occur for a number of reasons. Each trade is scheduled days or weeks in advance of the actual work. This period is referred to as A lead time Time is allotted for completion of each trades work on your home. Sometimes, one trade completes its work a bit ahead of schedule. The next trade already has an assigned time slot, which usually cannot be changed on short notice.

Progress pauses while the home awaits building department inspections. This is also part of the normal sequence of the construction schedule and occurs at several points in every home. If you have questions about the pace of work, please contact our office.

Construction Sequence

Although the specific sequence of construction steps varies and overlaps, generally we build your home in the following order:

Foundation

- Excavation
- Footer installation
- Form and pour walls
- Perimeter drain
- Waterproof
- Inspection

Framing

- First floor
- Second floor
- Roof

Roofing

- Felt or paper
- Valley flashing
- Ice shields
- Shingles

Exterior

Exterior trim

- Sheathing
- Fascia (boards at ends of rafters)
- Windows and doors
- Finish materials
- Trim
- Gutters

Concrete and asphalt

Fine grading

Landscaping, if applicable

Interior

Rough-in of mechanical systems

- HVAC (heating, ventilating, and air conditioning)
- Plumbing
- Electrical (extra outlets need to be installed at this point)
- Rough inspections

Insulation

Drywall

- Hang
- Inspection
- Tape and texture

Interior trim

- Doors
- Baseboards, casings, other details

Paint and stain

Finish work

Cabinets
Countertops
Tile
Floor coverings
Appliances
Hardware
Screens

Finish work (continued)
Light fixtures
Plumbing fixtures
Construction cleaning
survey
Certificate of occupancy
Homeowner orientation
Closing
Home maintenance