

Chapter 4: Construction of Your Home

- Safety—please respect the potentially dangerous nature of a construction site and follow our site visit policies
- Preconstruction Meeting—meet your construction manager and review your home’s plans and specifications
- Preconstruction Meeting Details
- Preconstruction Meeting Sample Agenda
- Start of Construction—several tasks require our attention prior to construction beginning
- Frame Tour—we invite you to see the quality inside the walls of your new home and confirm details up to this point are installed in accordance with your choices
- Frame Tour Meeting Details
- Frame Tour Sample Agenda
- Plans & Specifications—each home is unique; for many reasons no two are exactly alike
- Model Home Quality Standards—our commitment to you is to deliver your new home at the same level of quality demonstrated in our model homes
- Questions & Observations—questions and comments are an expected natural part of this process
- Private Home Inspectors—if you engage a home inspector, our requirements and tips appear here
- Single Source—only our employees and trades under contract work on the homes we build
- Trade Contractors—our trade partners work from detailed plans and specifications which can only be changed with written instructions from Destination Homes
- Schedules—several factors outside of Destination Homes’ control influence the time needed to build a home

Chapter 4

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 observing the construction process as we build 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 and timely communication of your choices.
- Because of the time required for construction, you have many opportunities to view your home as it is built, ask questions, and discuss details.

Safety

In addition to the planned construction site visits to which we invite you, we understand that you will want to visit your new home between these professional tours. A new home construction site is exciting, but can also be dangerous. Whether you are on site in response to our invitation or by your own initiative, your safety is of prime importance to us. Please observe common sense safety procedures at all times when visiting:

- Destination Homes requires that all visitors on our construction sites wear hard hats all at times. Pick up hard hats from our sales office before visiting your home site.
- Please visit your home site with a Destination Homes representative. Contact us 2 business days before your visit to arrange an appointment with one of our representatives.
- Children (under 18 years of age) are prohibited from visiting job sites due to the many potential hazards.
- 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 rails.
- 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't see or hear you.

In addition to safety considerations, be aware of the possibility that mud, paint, drywall compound, and other construction materials are in use and can get onto your clothing.

Preconstruction Meeting

You will have the opportunity to meet with your construction manager at various times during this process. The first of these is a preconstruction meeting. Your sales consultant schedules this appointment once all of your selections are completed. This meeting takes approximately 60 to 90 minutes.

The purpose of the preconstruction conference is to conduct a comprehensive review of the building process itself. We will discuss such things as site visits, questions, trade contractor communication, change requests, and target delivery date. Please bring any questions you have and this guide with you to this meeting.

Preconstruction

Meeting Details

- | | |
|---------------------------|---|
| Appointment set by | <ul style="list-style-type: none">• Sales Consultant |
| When | <ul style="list-style-type: none">• Monday through Friday between 10:00 a.m. and 6:00 p.m. |
| Where | <ul style="list-style-type: none">• Sales Center |
| Attendees | <ul style="list-style-type: none">• Purchasers• Sales Consultant• Construction Manager |
| Length | <ul style="list-style-type: none">• 1 hour |
| Purposes | <ul style="list-style-type: none">• Review final plans and specifications• Discuss safety and other construction site protocols• Outline our process for responding to your questions during construction• Overview scheduling and target delivery date• Discuss any questions you have |
| Preparation | <ul style="list-style-type: none">• Note questions you have• Bring this <i>Homeowner Guide</i> |



PRE-CONSTRUCTION AGENDA

Homebuyer:

Phone:

Date:

CM:

Homesite#:

Community:

REMINDER: All agreements must be in writing. Review all paperwork to ensure that everything that has been discussed is in writing. We are unable to honor verbal commitments. Buyer initials _____

- Objective for pre-construction meeting

Change Orders / PMR requests

- Review any completed change orders and PMR's
- Change Request Timelines

Site Plan

- Orientation of the home (garage side)
- Concrete and flatwork location
- Steps & landings may vary
- Water drainage away from home
- Mailbox location (if applicable)
- Review rough vs. final grade
- Sign off on final site plan

Review Final Home Plans

- Verify that all options have been correctly drawn
- Clarify exterior style/colors/terminations
- City and/or developer may make changes
- Utility component locations
- Variance disclosure
- Model home quality standards
- Homebuyer to initial all applicable plan pages

Landscape (7-52 Homeowner Guide)

- Final landscape plan and sign off
- Landscape installation and timing

Site Visits & Safety (4-2 in Homeowners Guide)

- Always wear your hard hats
- Our construction sites are child free
- Site visits permitted by appointment & only when accompanied by a Destination Homes representative

- Permit timeline
- Target start date – barring city or weather delays
- Construction sequence – (section 4 in homeowners guide)
- Destination Homes team members routinely inspects your home
- 'Nothing is happening' & 'ugly duckling' stages (Section 4 in Homeowner Guide)
- Objectives for frame tour, and home orientation
- Trade interaction guidelines

Target Delivery

- Delivery dates - Orientation and closing scheduled a few weeks prior to meeting. Dates are subject to change, and notice is given of any changes as soon as possible.

Communication

- Sales consultant is the primary contact
- Recap of the pre-construction meeting
- How has buyer experience been so far?
- Distribute agenda copies
- Customer feedback is welcome and important to us – review AVID surveys

Friends & Family

- I assume you've heard from our team about our referral program, I'd like to remind you again how much we value your referrals – here's a card you can use to register friends or colleagues. I encourage you to do that as it is a benefit to all of us.

By signing below, I acknowledge that all items above have been thoroughly discussed and I have no further questions.

Homebuyer Signature:

Date:

CM Signature:

Date:

Notes – It's a great idea to take notes during the Pre-Construction Mtg

Start of Construction

Before construction of your home can begin, Destination Homes has several important tasks to accomplish that involve outside people and entities. For example:

- Residential construction requires that we obtain a building permit. The process varies and can take a few days to many weeks depending on the volume of applications being processed by the building department. This volume varies from month to month. The process to obtain these permits begins around the time the Buyer Start Order is received.
- The time of year may affect the start date because of the weather conditions.

Frame Tour

Many buyers appreciate the opportunity to tour their home just after the rough mechanical stage, before insulation. The rooms have begun to take shape but the inner workings are still visible. This is an opportunity for you to see the materials that go inside the walls of your home.

Although the time to make changes has passed, the meeting does provide an opportunity to confirm that we are correctly installing the options you ordered or approved changes you requested. We will also update you on the target delivery date during the frame tour.

Your frame tour is scheduled by your sales consultant. You will meet your construction manager at your new home. Expect the frame tour to take up to an hour. Please remember to bring this homeowner guide, selection sheets, and any approved Change Requests.

Please understand that if for any reason you are unavailable to attend this meeting we will continue with construction in order to come as close as possible to our target delivery date.

Frame Tour

Meeting Details

- Appointment set by** • Sales Consultant
- When** • Near or at the completion of rough mechanical installations
• Monday through Friday between 8:00 a.m. and 2:00 p.m.
- Where** • Your new home
- Attendees** • Purchasers
• Construction Manager
- Length** • 30-60 minutes, depending on your questions
- Purposes** • See the quality construction techniques included in your home
• Confirm installation of selections up to this point
- Preparation** • List any questions you wish to discuss
• Bring your selection materials and this *Homeowner Guide*
• Wear sturdy close toed shoes and appropriate clothing for an active construction site
• Stop by the sales center and pick up your hard hat(s)
• Attend alone in order to focus all of your attention on the information covered
• This tour is for persons eighteen years of age or older
• If possible, arrange your schedule so that your phone can be turned off

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Homeowner Guide

FRAME TOUR AGENDA

Homebuyer: _____ Phone: _____

Date: _____ CM: _____ Homesite#: _____ Community: _____

REMINDER: All agreements must be in writing. Review all paperwork to ensure that everything that has been discussed is in writing. We are unable to honor verbal commitments. Buyer initials _____

- Review past commitments
- Electrical**
 - Switches: location, 3-way, fan boxes
 - Lights-correct placement in rooms
 - Plugs-per code
 - Electrical panel placement
 - Location of doorbell and chime
- Plumbing**
 - Bathroom layouts
 - Bathtubs
 - Soft water (if applicable)
 - Exterior water faucets
- Doors/Windows**
 - Exterior door type, size and swing
 - Windows and grids installed according to purchase agreement
- HVAC/Fireplace**
 - Vents/cold air returns
 - Thermostat placement
- Furnace, A/C placement
- Location and frame style of fireplace
- TV/Telephone/Data Lines/Surround Sound**
 - Placement & number of phone jacks
 - Placement & number of TV outlets
 - Placement of other technology (if applicable)
- General**
 - Vaults & high ceilings as per plan
 - Location of the attic access
 - ½ wall or railing locations are correct
 - Kitchen layout
 - Exterior concrete layout
 - Material questions
 - 2 and 10 Year Warranty Coverage
 - Site visit reminders
 - Review change order request timelines
 - Customer feedback is welcome – AVID surveys
 - Additional homeowner questions or feedback

Item

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Your signature below confirms that we have reviewed the above information with you and that your home has been framed and mechanicals placed in accordance with your purchase agreement. Items needing adjustment at this time have been listed above.

Homebuyer Signature _____ Date: _____

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Notes – It's a great idea to take notes during the Frame Tour

Plans and Specifications

Builders are required to have the building department of the city or county where your home is to be located 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 also become part of our agreements with trade contractors and suppliers. Only written instructions from Destination Homes can change these contracts. Within the context of these controls, several factors can cause variations between the model home you viewed and the home we deliver to you.

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 Destination Homes must comply. Therefore, we 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 home site. Based on the results of a soil test, an engineer determines which foundation system to use. Because of variations in soil conditions among home sites, your foundation may differ from your neighbor's foundation or that of the same floor plan in another neighborhood.

Topography and Home Site Conditions

Because each home site is shaped differently, the position of your home on the site may vary from others in the community. You will review a copy of a plot plan, a drawing that shows you the home's position on your homesite, at your preconstruction conference.

In addition, the exterior elevations of each home are affected by the topography, or surface contours, of your homesite. For instance, slope on the site may affect the configuration of the driveway and walks, the number of steps if any, and the need for rails. Exterior finish varies in accordance with the slope on the site and retaining walls are sometimes needed for extreme conditions.

Grading

Be aware of your responsibility in finishing your landscaping. Regardless of home site conditions Destination Homes' responsibilities remain the same when providing your final grading. Our responsibility when completing your final grade is to provide a slope of at least two percent away from your foundation within the first 10 feet around your home's perimeter. The grade then slopes to the natural contours of your home site. No other grading will take place unless otherwise specified in your Purchase Agreement.

Existing Trees

Destination Homes identifies existing trees on your home site that must be removed to create room for your home, drive, and so on. Our construction practices include steps intended to preserve other trees in a healthy condition. However, because the reaction of trees to construction activities and your new home are outside our control, we cannot guarantee the health or survival of any existing trees.

Utilities and Mailboxes

The location of meters, phone and electrical junction boxes, and mailboxes are examples of items outside the control of Destination Homes. The authority of the utility companies and the U.S. Postal Service to designate the placement of these items is well established.

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. For instance, appliance manufacturers generally make design changes every year. The model homes will show the appliances that were current when the models were built although your home may have a more recent version.

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In all instances, as required by your purchase agreement, any substitution of method or product that we make will have equal or better quality. Since such substitutions or changes may become necessary because of matters outside our control, we reserve the right to make them without notification.

Models

Model homes display many decorator items, window coverings, and furnishings. Mature landscaping, extra walks, fences, lighting, fountains, signs and flags are other examples of items which are not part of the home we will be building for you. Please review your home's specifications as well as information Destination Homes provides about optional items displayed in the models carefully to avoid misunderstandings. Contact your Sales Consultant with any questions.

Because finish sizes can vary somewhat, you should measure for window coverings in your home rather than in any model.

Television and the Internet

You may be aware of various home construction methods and materials from watching television programs or exploring the Internet. Destination Homes routinely reviews new approaches with a focus on building homes with materials and methods that perform predictably and to our standards. While we will be happy to discuss alternative methods and materials you may be interested in, we take a conservative approach to utilizing new approaches until they have been proven over time. In addition, what is appropriate for a home in one area may not be appropriate for your home because of soil, climate, and other conditions.

Natural Variations

Dozens of trade contractors have assembled your home. The same individuals rarely work on every home 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.

Model Home Quality Standard

Destination Homes knows that you want a home created with a high degree of distinction while maintaining a certain level of workmanship and material quality. As a matter of principle, we build all of our homes with the same level of excellence that can be found in our Destination Homes' model homes.

We call this level of quality our "Model Home Quality Standard." While no two homes are exactly the same, each Destination Homes model home displays the standard of quality important to the product manufacturer and to the requirements of the home building industry, national, state, and local building codes and ordinances.

The quality of our model homes is a major factor in our home buyers' decision to purchase from Destination Homes. While construction standards vary by area and builder, our model home establish a tangible expectation of a finished home. They demonstrate the criteria to use in evaluating and achieving the quality level of each home we build. Our model home will be used as a "measuring stick" in reestablishing what you should expect to receive.

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. Should any question arise regarding the quality of your home, Destination Homes will use the Model Home Quality Standards to evaluate the quality that we achieve in your home. The same standards will be used to determine warranty claims and work completed during warranty service appointments.

From time to time during a process that takes several months and involves dozens of people, an error or omission may occur. Our systems and procedures for inspecting our homes ensure that the level of quality

meet our requirements. We inspect every step of construction and are responsible for quality control. In addition, the county, city, or an engineer conducts a number of inspections at different stages of construction. Your home must pass each inspection before construction continues.

Questions and Observations

We respect your interest and appreciate your attachment to the new home. Therefore, your input into our system is welcome.

Your Questions

To avoid duplication of efforts, confusion, misunderstandings, or compounding errors, we ask that you first check your purchase documents to review what you ordered and the specifications for construction of your home. If you still have a question, let us know. In many cases, the answers to your concerns may include the following:

- Your concern may involve a detail Destination Homes has already noticed or appreciates your pointing out. Still, correction may not occur immediately. Trades and suppliers often impose trip charges for extra visits to the homesite so to be efficient, we may schedule the correction for the next routine visit. Also, a particular trade may be unavailable on short notice.
- Work may simply be incomplete; an early stage can look wrong at first and be correct when finished.
- Methods and materials vary from region to region and change over time. When you are familiar with one method, you naturally question a different one. That does not make the new method wrong. Ask questions until you are comfortable.

"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 "lead time." Time is allotted for completing each trade's 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. Also, throughout construction of a home, work progresses rapidly at some stages as highly visible stages are completed (such as installing large expanses of walls) and more slowly at others (such as detail work in framing in soffits and closets). If you have questions about the pace of work, please contact your sales consultant for an update.

Ugly Duckling Stages

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 byproduct 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.

Private Home Inspectors

If you wish to retain the services of a private home inspector to review your home during or at the end of construction, please be aware of Destination Homes' policies regarding private home inspectors:

- Inspections must be scheduled no later than two weeks before your close of escrow.

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- Your inspector must provide us with evidence of current worker's compensation and liability insurance. A form is available from your sales consultant to make this process more convenient and ensure that we receive the necessary details.
- Your inspector should be a member of a professional association such as the American Society of Home Inspectors.
- Your inspector should be familiar with the codes applicable in your jurisdiction.
- Your inspector should be experienced with new home construction.
- Your inspector is responsible for staying informed as to the stage of construction the home has reached.
- Your inspector should not make any markings on the home itself.
- Your inspector should provide you and Destination Homes with a written report of any concerns immediately.

Destination Homes will address concerns involving building code or contract issues only.

Single Source

Destination Homes is a single source company. That means that we select, screen, and approve all personnel and companies who will contribute to the construction of your home. We order all materials and products from suppliers with whom we have established relationships. Trade contractors who work on our sites are subject to review and evaluation by construction and warranty personnel. They are also required by our trade agreements to attend safety training and company meetings.

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 Destination Homes standard of construction, only authorized suppliers, trade contractors, and Destination Homes' employees are permitted to perform work in your home.

Each trade contractor works on a limited portion of the home; they may not be aware of all the details that affect the home and are not in a position to offer judgments. All questions or requests for changes should go through Destination Homes, and we will obtain input from trades when that is appropriate.

Suppliers and trade contractors have no authority to enter into agreements for Destination Homes or side agreements with homeowners. For your protection and theirs, the terms of our trade contractor agreements prohibit alterations without written authorization from Destination Homes. Their failure to comply with this procedure can result in termination of their contract. Discuss any contract changes you are considering with your sales consultant.

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, landscaping, and concrete flatwork, to mention a few examples.

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Extended periods of wet weather or freezing temperatures bring work to a stop in the entire region. When favorable conditions return, the trade contractors 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

Destination Homes recognizes that timing is critical to planning your move. Although a guaranteed date is unrealistic in the early stages of construction, we can provide regular updates. We will update you on the estimated delivery date at each of our construction meetings. 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.

30-Day Notice

As the home nears completion, Destination Homes gives a 30-day completion notice. Meanwhile, be flexible and avoid making concrete arrangements that might cause you to worry if the move in date changes.

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. With this in mind, review the Loan Lock heading in Chapter 2, *Home Financing*, for additional suggestions on this topic.

Your Belongings & Contracted Work

Your belongings may be brought into the home only after the closing (funding) because of insurance issues and the applicable building department regulations. This includes performing any work to the home outside of contract (for example, fencing, blinds, sealing tile or concrete, adding finish work, painting, staining, and so on.)