

**LOG HOME
CUSTOMER INFORMATION
SPRING 2008**

The logo for Bryson Homes Inc. features the word "Bryson" in a bold, stylized, italicized font. The letters are white with a thick black outline. The logo is set against a dark, rounded rectangular background that has a subtle gradient and a slight glow effect.

Bryson

H O M E S I N C .



ABOUT US

Bryson Homes Inc. was founded in 2006, and is licensed and insured in Pennsylvania and West Virginia. Our owners, Brian McIntyre and Jason Hughes, have more than 35 years of experience in residential construction. Brian and Jason maintain residence in both Pennsylvania and West Virginia, and are intimately familiar with the building codes in both states. Bryson Homes specializes in combining traditional log home building styles with the full range of available modern building materials and amenities. Quite simply, *If you can imagine it... we can build it.*

THE BRYSON ADVANTAGE

Bryson Homes is focused on two main objectives: Value and Quality. One of the advantages to being in the business as long we've been is that you build a network of dependable suppliers who can provide high-end materials at very reasonable prices. Many builders significantly increase the price of materials as part of the building process. At Bryson Homes, we deal directly with the best and cut out all middleman profit. This enables us to provide you with exceptional value in the pricing of your custom home.

We have a reputation for excellence that is built on our commitment to quality. We make two promises: 1) Your home will be constructed of only the finest materials. 2) We will never cut corners. We deal only with the finest mills to ensure the highest grade of logs that will stand the test of time. All logs are center-cut white pine. We use *Anderson* windows exclusively, and all of our Lumber is supplied by *84 Lumber*. Our interior doors are imported from Sweden and are arguably the best in the business. Each Bryson home is built on a foundation of *Superior Walls* – a brilliantly engineered system of interlocking steel that resists cracking and maintains structural integrity far longer than traditional foundations. All of our decks are built of *Timber Tech* – a synthetically developed material similar to *TREX* that will provide years of maintenance-free wear. Your new *Timber Tech* deck will save you thousands in maintenance costs over a traditional wood deck. Many home builders squeeze extra profit by charging for different colors of paint. At Bryson we understand that color is an expression of individual taste, and as such its an integral part of the custom home building experience. That's a long way of saying we don't charge extra for color variations. The bottom line: each home we build is a part of our reputation, and we know that satisfied customers come one at a time. In Brian's words, *"After we finish your home, the only way we want to come back to your house is as a guest"*.

FREQUENTLY ASKED QUESTIONS

There are certain questions that every customer asks – and rightly so. Deciding to build a home is a major investment, and its in everyone's best interest to be sure they completely understand all aspects of the deal. Because the custom home experience can be complex and confusing, we want to do everything possible to take the mystery out of the process.

WHAT'S IT GOING TO COST?

The custom log home industry has a wide variety of pricing that depends on many factors – including material, location, complexity of design, labor rates (which vary by region and with the economy), business risk and model, etc. There are literally as many different pricing methods as there are builders, designs, materials, and locations.

We typically provide an initial price estimate based on a set of preliminary plans. There are numerous avenues to get a basic design, including floor plan dealers on the web, custom architects, log home magazines, etc. Some of our customers even develop their own plans using commercial off the shelf CAD software packages such as *3D Home Architect* (available for about \$28 @ Microcenter). Of course we're also happy to share any of our existing plans with you – either to use as is, or as a basis for revision. Whatever route you take we'll be happy to work with you in pulling your ideas together.

When it looks like you're ready to go, we'll ask for a small deposit and then send your ideas to the mill so that they can create a set of preliminary plans. Preliminary plans are necessary because they allow the mill to estimate the number, price, and type of logs needed to build your design. They also provide the basis for further discussions and/or revisions between you and Bryson Homes. After everyone reaches agreement on the final design, we'll give you final pricing and offer you a contract. If you sign a contract with us, we apply the deposit against the final price of the house.

Another important thing to understand is that we provide “allowances” for certain components of your home such as flooring, kitchen, appliances, lighting, etc. These allowances will be included in your original contract price (i.e., not in addition to) and are an excellent way for you to have a high degree of flexibility as you choose interior options. Any amount you “save” by not spending all of a specified allowance in a given category you can either 1) spend against another allowance category that you choose to “exceed” or 2) keep and deduct off the final price of the house. Please note that in order to deduct an amount off the final price of the house the absolute total of all given allowances will need to show a “savings” i.e., be below the total combined allowance amount of all categories. Allowance amounts are based on historical data from previously completed homes. Most of our customers have found the allowance program to be generous – providing ample flexibility and funding for their needs.

Finally, you will need to get separate quotes from 1) the Excavator who will clear you land, dig the foundation for your new home, and possibly also install your septic field and 2) the Well company that will, well... dig your well. When you add both of these quotes to the Bryson quote you'll have the total cost of building your new home.

HOW DO I PAY?

Once we start building we will operate on a milestone payment schedule that will be specified in your contract. This schedule will be tied to major milestones such as completion of your foundation, roof, etc. Whether you choose to finance your new home or pay in cash, it will be important for you to make timely payments in order to keep the process rolling and the project on schedule. Please note that the lumber mills that craft your logs will require payment in full on delivery, as well as approximately 10% down at time of order. For many banks this presents a challenge, so we recommend that you clarify this requirement up front and before closing. Because of this, some of our customers choose to pay this portion in cash. Alternatively, we can recommend financial institutions that are “log home friendly” in that they are more understanding of this requirement, and thus more likely to allow “up-front” draws for this purpose.

Finally, many homeowners elect to do add-ons after the project has begun. We’re fine with this – actually we do it all the time – but we do ask that you pay for all add-ons upon completion vs. at the end of the contract. As always, it is best to define as many requirements in the original design as possible, not only for cost efficiency, but also because of schedule ramifications.

HOW LONG WILL IT TAKE TO BUILD MY HOUSE?

We order our projects based on receipt of deposit. Because market and weather conditions can affect delivery, we typically allow a six month window for completion – although this time frame may vary based on the complexity of your design. Sometimes customers are unnecessarily concerned when we don’t start their job on day one. However, please note that we complete many of our homes in about three to four months. Consequently we are able to consistently deliver against the six month window we agree to.



HOW WILL WE COMMUNICATE?

Many of our customers are building second homes and thus live a good distance away from the building site. The best way to stay in touch with us is by cell phone or email. Cell phone coverage is sometimes spotty in the rural areas where we build, so if we don’t answer please leave a message – we’re normally very prompt in returning calls – although it may be in the evening. After construction begins, we usually provide updates approximately once a week.

WHAT'S THE PROCESS?

Strictly speaking, the process begins with you selecting a lot to build on. Pennsylvania, Maryland, Virginia, and West Virginia offer numerous naturally beautiful building sites. Most of our customers already have a lot, and unfortunately we're not in the real estate business, but if you're in the market for a lot we can probably point you the right direction. Having said that, there are a few things you'll want to keep in mind if you are shopping for a lot. Considerations include: 1) access to the lot – creating roads to the building site can be expensive 2) grade of the land – steeper lots can be more expensive to build on 3) proximity to power and telephone lines 4) well and septic approval – does it perk? 5) the view, water on the land, mature trees, and other features that make it appealing. Remember, once the land is cleared, many vistas open up dramatically. However, be careful and thoughtful before clearing because once the tree's are gone you can't get them back! Most importantly, make sure that you buy a lot that you love – that way it will be the perfect compliment to your new Bryson home when it is completed. The combination will keep you coming back for years if it's a weekend house, and fill each day with pleasure if you're going to be a permanent resident.

OK, back to building. Think of this process is in two phases:

- Phase 1: Start-Up
- Phase 2: Construction

START-UP

During start-up we're basically getting to know each other, figuring out what we're going to build, discussing price, and signing a contract. The Start-Up phase begins with an initial meeting. A company representative, typically either Jason or Bryan will meet you at your lot. This is a chance to make introductions, discuss your initial ideas, answer questions, walk your property and talk about your home site. Most people don't sign a contract after one meeting, but the initial meeting does serve one very important purpose – it allows you to meet us. Almost all conventional wisdom (i.e., literature) in the custom home building business will tell you that you need to be comfortable with your contractor. Custom home building is truly a partnership, and you'll need to be sure that we're the company for you.

After the initial meeting we typically begin a series of discussions around the house – design, size, materials, budget etc. For example, we'll ask you questions like what style of logs you prefer e.g., Dove Tail, D Logs, Round, etc. We'll discuss how to site your house on the lot, where to place the drive way, and lots of other things that will help you visualize your new home.

Its during this process that you will settle on a basic design for your new home. As we mentioned before, there are numerous ways to get ideas (floor plans from the web, architects, log home magazines, our existing plans, etc.). Once you find the design that's right for you, we'll ask for a deposit and send your ideas to the mill so that they can

create your preliminary plans. As we mentioned before, preliminary plans will allow the mill to estimate the number, price, and type of logs needed to build your design. Once we get them back (normally about two weeks) the preliminary plans serve as the basis for further discussions and/or revisions. After everyone reaches agreement on the final design, we will give you final pricing and offer you a contract. If you sign a contract with us, we'll apply the deposit against the final price of the house, and give you a target date for completion.

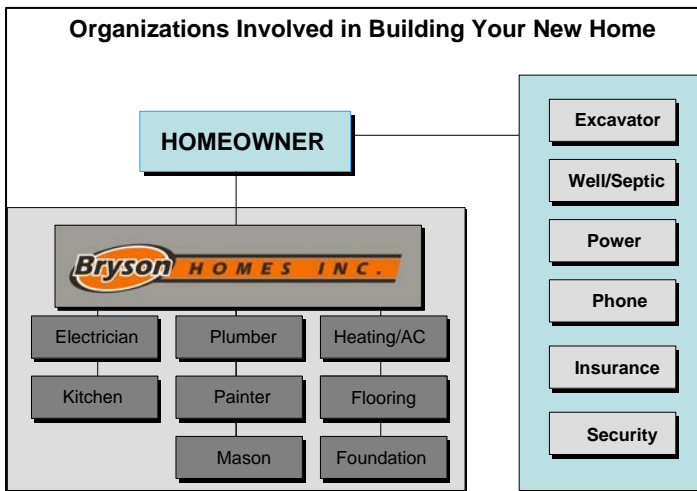
CONSTRUCTION

The most important thing in this phase is for you to understand the answers to a few basic questions:

- 1) What are the basic steps involved in building a house?
- 2) Who's involved with each of those steps?
- 3) What things do you need to do, and when do you need to do them?

Let's start with who's involved. As your prime contractor Bryson Homes will employ a number of specialists (subcontractors), who will help build you house. As depicted in the chart below, you will actually meet with several of these subcontractors (e.g., kitchen and bath, floor, electrician) to ensure that you get things the way you want. One of the best ways to be sure that things will turn out right is to take advantage of the lead time before each of these meetings to think through all of your options.

In addition to Bryson you will also need to contract and or deal with several other organizations in order to build your home. Two very important contractors you will deal



with are the Excavator, and the Well and Septic company. Because these companies are not subcontractors of Bryson Homes, they will provide separate quotes which you will need to add the price we give you. Unfortunately, the fun doesn't end there, you'll also need to arrange for temporary power, get the appropriate type and level of insurance, arrange for phone service, and select a security company and package if desired.

Although this sounds like a lot, it's actually not that complicated if you know what to do in advance. Now, let's have a more detailed discussion about each of the organizations you'll be dealing with.

Excavator: The excavator plays a critical role in the construction of your new home. In addition to clearing any trees and/or brush needed to create your building site, the

excavator digs the foundation for your new home, prepares the site for your foundation with drainage pipes and buries your electric and phone lines. The excavator also puts in your new driveway, and may install your septic system (which can be either a Class I or Class II system). In this capacity your excavator understands many building codes and particularly those associated with the health inspector. You should plan to meet with your Excavator and Bryson early in the process to develop a site plan which not only specifies the location of your new home, but also the location of your septic system, driveway, well, utilities, and propane tank. The site plan is an important first step in the process because there are very specific rules for installing septic systems and you will want to know where everything is going prior to breaking ground. For example, there are specific square footage requirements for septic fields (Class I), and with a Class II system the land can not be disturbed prior to installation. The elevation of your home and the location of bathrooms (e.g., downstairs) are also important factors in siting your house.

Well and Septic: The Well and Septic company will work with Bryson to locate the best place for your well and then make sure that you're home has the best possible supply of water.

Power Company: You will need to contact the local power company soon after construction begins to request a temporary work order. The temporary work order gets the ball rolling on the power to your house. The power company will dispatch a technician to your lot to determine the requirements for running electricity to your home. You will need to decide whether you want to run the electricity above ground or below ground. Above ground is less expensive but also requires utility poles. Whichever approach you take you'll likely need to assign a right-of-way to the power company for future maintenance. You'll also need to decide whether to mount the meter against your house or on a pedestal further out on your property. Based on the design of your house you may not have a choice due to regulations established by the power company which facilitate automated reading of meters. The electrician who works as a subcontractor to Bryson Homes will work closely with you and the power company, making recommendations on the best course of action for all the items described above.

Phone Company: This is about as simple as calling the phone company to request service. Even so, the phone line will need to be run to your property from the closest source – either above ground across utility poles or underground in a separate conduit just above the power line.

Insurance: We recommend that you consult your insurance agent of choice to be sure that you have the appropriate type and level of homeowner's insurance to protect your investment. Your insurance agent will be the best source of advice for determining which policies, deductibles, etc. are best.

Security: Clearly your decision. The only thing we ask is that if you plan to hard wire a security system in your new home please let both us and the electrician know as soon as possible so that we can run the wires prior to installing insulation, drywall, etc. If at all possible, security considerations should be built into the design and plans.

Electrician: You will meet with the electrician at least once during the construction of your home – typically right after the house goes under roof. Prior to that meeting you should think through what types of lighting you want (recessed, spot, flood, sconce, etc.); the location and type of switches (e.g., dimmers, remotes control, etc.); as well as any audio/speaker and cable/satellite wiring you’ll need. The electrician will work with you on the selection and purchase of specific light fixtures, and give you advice on all of the above topics. As mentioned before, you will have an established “allowance” for lighting fixtures.

Kitchen Modeling: One of the most important rooms in any home is the kitchen and we employ a subcontractor specifically for this purpose. Our Kitchen subcontractor will help you design your new kitchen and pick out the appropriate cabinets and counter tops. The most important thing you’ll need to do prior to this meeting, which occurs just after we put your roof on, is to decide on which appliances you want. Understanding the types and dimensions of your new appliances is a prerequisite to completing the kitchen design.

The kitchen subcontractor will meet you at your homesite with numerous samples of cabinets and countertops and work with you until you’re sure you’ve made the right decisions. At the same time they will also help you select vanities and cabinets for your bathrooms. As with the lighting, you will have a predetermined “allowance” for your kitchen.

Flooring: Another meeting you’ll need to plan on is with our floor supplier. Once again you’ll have an “allowance” which you will allocate against the different types of flooring you want. Typically this involves tile, carpet, hardwood (both real and engineered), laminant, vinyl, etc. Clearly there are a wide variety of flooring options and you’ll need to make the calls on tradeoffs that get you what you want but still keep you within budget. If you select carpet you’ll need to also include labor for installation whereas we use our own installers for tile and hardwood.

Now that you know *who* you’ll be dealing with, let’s talk a little bit about the steps in the process and *when* you should do some of the things we just talked about...