

OUR APPROACH

Overview

ARCHITECTS INTERIOR DESIGNERS BUILDERS WOODWORKERS

BOOTHBAY ♦ PORTLAND ♦ knickerbockergroup.com



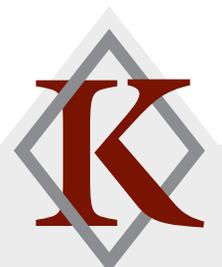
WELCOME TO THE KNICKERBOCKER GROUP

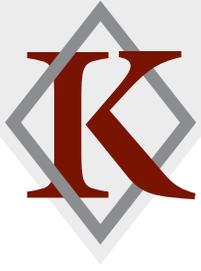
Knickerbocker Group offers comprehensive architecture, design, woodworking and construction services for custom homes and commercial spaces. Please explore our website to see examples of our work: residential construction, woodworking details—rooms that meld the artful with the authentic. We're very proud of what we do and we're even more excited about how we do it.

Over the past three decades, we have built relationships with a diverse network of artisans and craftspeople, both in-house and freelance professionals. Together, we are a group of inspired collaborators who contribute their various talents to the construction process.

The natural outcome of attracting a great group of Maine talent has been the growth and evolution of our original business, Boothbay Home Builders, founded by Steve Malcom in 1978. With the addition of new ventures, including design staff in 1990, and more recently the incorporation of caretaking services, Knickerbocker Group was formed.

We have assembled this portfolio to highlight our philosophies as a company, as well as our approach to construction management. We believe that our commitment to quality, from the finely crafted details to the inner workings of a high performing building, will guide us in delivering your project in a way that will last for generations and will far exceed your expectations in value.



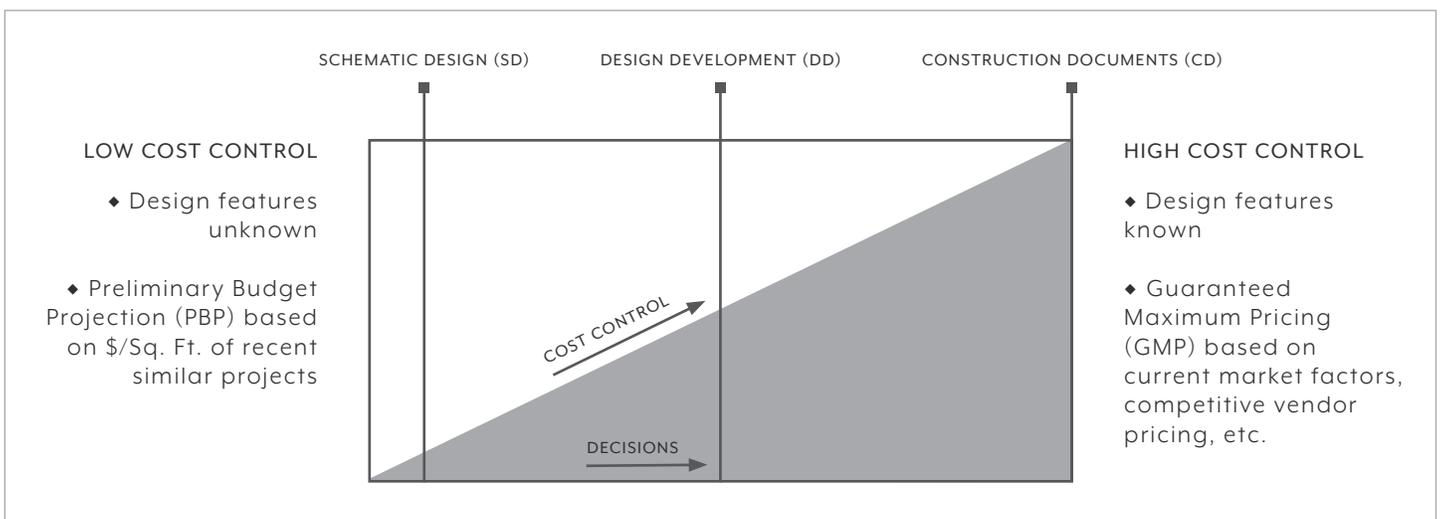


OUR APPROACH TO DESIGN

Home design is a collaborative process involving owner, architect and builder in an ongoing conversation. In that regard, architecture is as much about communication as it is about construction. Together we work through the many design decisions your project will require. The time spent making well-considered choices with a team you trust will be rewarded by the pleasure of having created a home that is especially suited to you and your family.

One aspect of making “well-considered” choices is cost: understanding the overall budget implications of the decisions you make along the way. Cost control – from the beginning of a project to the very end - is the primary reason Knickerbocker Group transitioned from a construction company to a design-build firm over 25 years ago. In the past, clients would contact us ready to start construction with a 95% detailed construction plan set from their architect, only to find out after an intensive pricing exercise that the cost of their dream home would dramatically exceed their budget goals. After putting their hearts and souls into a year of design decisions, the clients now had to backtrack, value engineer, and cut costs.

In contrast, Knickerbocker Group brings the construction manager to the owner-architect team as early as possible to guide the project to a successful outcome: a beautifully designed, quality built home delivered within our client’s budget. To that end, we have developed a detailed process for improving cost control during the life of a project. Yet even with an established process, budgeting is and always will be a moving target. The reason for this is simply knowns vs. unknowns: we can get a firm price on what we know and we can only estimate the price of what we don’t know.

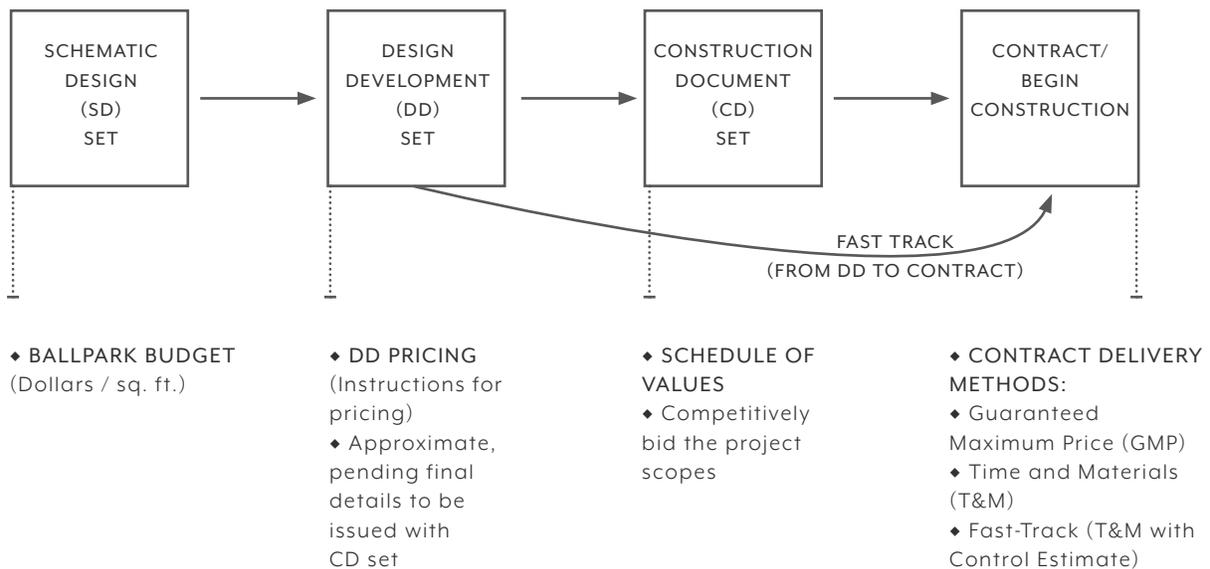


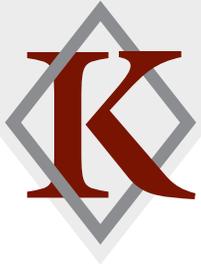


OUR APPROACH TO DESIGN, continued

The preceding graph is a representation of how cost control improves as the design progresses, and more details of the home become known. As decisions are finalized, the plans and specifications are updated. When enough design factors are known, the plans can be competitively priced with subcontractors, vendors and suppliers, ultimately leading to a fixed or guaranteed maximum price at the completion of design.

The graph also indicates the three primary pricing delivery milestones that Knickerbocker Group employs along the way. Following each major architectural documents deliverable, our pricing milestones typically include the following:





OUR APPROACH TO DESIGN, continued

SCHEMATIC DESIGN

The Schematic Design process begins with listening to your needs and ideas and asking many questions to establish the “program” for your project. We will examine the site and regulatory aspects, and then create hand-drawn floor plans and elevations for your review. The initial focus is on spatial relationships and the overall form of the building. We may also create 3-D computer models, which let you “walk around and through your home”. It is normal, and often desirable, to spend time adjusting the design elements at this stage.

Once we’ve arrived at a design that meets your program goals, we initiate our first pricing method, “Preliminary Budget Projection” or PBP. The PBP is based on a simple formula: we take the square footage of the hand-drawn home, and multiply it against two or three “dollar per square foot” (\$/sq.ft) numbers to establish a range of possible construction costs. We strive to be as accurate as possible with the selected \$/sq.ft. ranges but given the unknown, yet-to-be-determined aspects of the project, this can be a challenge. The architect and the construction manager identify past construction projects of similar size, scale and complexity for comparison. Our construction management team at Knickerbocker Group constantly re-evaluates recent historical data to adjust the expected \$/sq.ft. ranges based on market factors, such as labor competition, lumber and other material pricing, etc.

Step 1—Schematic Design





OUR APPROACH TO DESIGN, continued

Once we have selected the \$/ sq.ft. range, we multiply it against the home's square footage. Again, Knickerbocker Group has systemized the process of establishing a home's 'weighted square footage' in order to compare buildings with different components.

We start with the main heated spaces of the home, with the floor area measured to the outside of the rough walls. We then consider other spaces that may be heated within the building (cathedral ceilings, finished basements) as well as other unheated spaces within and outside of the main living area of the home (attics, unfinished basements, covered porches, decks, and accessory structures). These spaces can typically be built at a lower \$/sq.ft. than the main living areas, and we apply a reduction factor to appropriately "weight" the square foot of these spaces before applying the selected \$/sq.ft. ranges.

The multipliers are based on industry standards, with adjustments made as necessary to better reflect Knickerbocker Group's Best Practices and quality standards. During the schematic stage, we do not typically adjust these multipliers as it suggests a level of precision that does not exist in this early phase of the project.

The PBP total is the Preliminary Budget Projection established for the project, based on the hand-drawn schematic plans and a written description of your program. Once we have reviewed the PBP with you, it can be expected that we may revisit your program and the schematic design plans and make adjustments to better align your dream with your budget goals. We may revise the design, and then update the PBP several times during the Schematic Design phase in order to get the preliminary home design as close to your budget as possible. The value in this exercise is that the 're-work' or value engineering happens early on, during the hand-drawn plan stage, after a minimum investment of your money and time.



OUR APPROACH TO DESIGN, continued

DESIGN DEVELOPMENT

The Design Development phase is when most of the detailed decisions are made. Your program is enhanced by selecting interior and exterior finishes, decorative elements, windows, doors, appliances, plumbing fixtures—and more, in order to arrive at the final design.

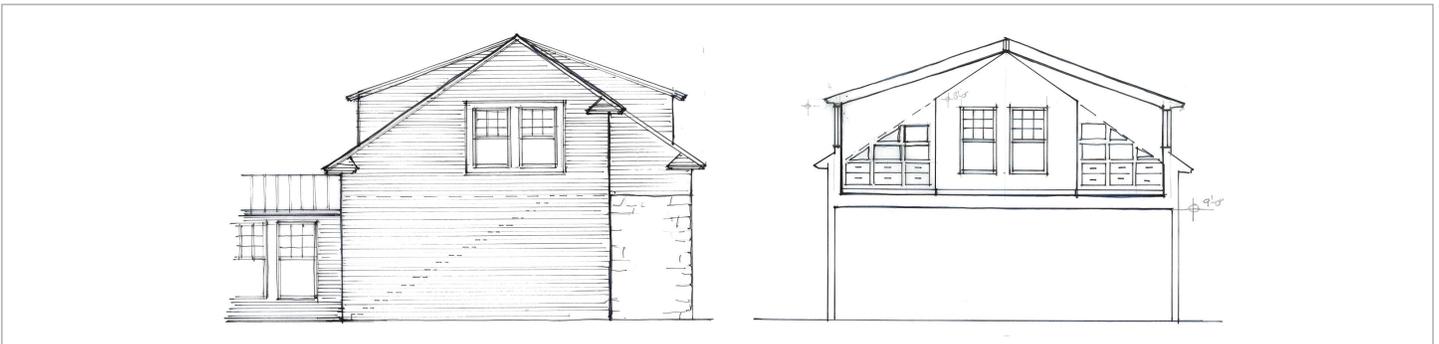
The importance of kitchen and bathroom design is usually apparent from the very first meeting. These rooms often drive a major portion of the program and interior finish costs, so we spend time in this phase developing detailed designs for these spaces.

At this stage of the process, we also conceptualize the electrical and mechanical systems, and conduct a structural review. In addition, we typically draw interior elevations so you can view every area of your project.

At the completion of this phase, we issue a Design Development set or “Pricing Set”. While this is often a substantial plan set, the detailing is geared toward elements that will be cost drivers (windows and doors, structural members, cabinetry and other kitchen/bathroom finishes, masonry, custom millwork, etc.).

The construction manager approaches Design Development pricing utilizing an entirely different method, moving away from the \$/sq.ft. pricing and beginning to work with actual cost factors. Major price drivers, such as windows, doors, concrete, structural elements and site work, can be put out to subcontractors and vendors for competitive pricing. The end result is a preliminary Schedule of Values, a portion of which is populated with actual vendor quotes and the remainder of which is estimated with allowances, establishing a line item budget for items still to be designed, engineered, or selected.

Step 2—Design Development





OUR APPROACH TO DESIGN, continued

CONSTRUCTION DOCUMENTS

During the Construction Documents phase, we prepare technical drawings and specifications that set forth all of the information needed in the field to build the project.

Our focus during this phase is detailing the elements required for construction (structural framing plans and details, mechanical and electrical systems design, exterior and interior millwork details, etc.)

Upon issuance of the Construction Documents set, the Construction Manager competitively bids all aspects of the project scope. The preliminary Schedule of Values is populated with actual quotes and estimates, replacing any line item allowances. This Schedule of Values is the basis for establishing a contract delivery method, e.g., Guaranteed Maximum Price (GMP) or Time and Materials (T&M). Regardless of the method, cost control is high and Knickerbocker Group will commit to a maximum fixed price to deliver your home.

Cost changes after contract, most often driven by an owner's desire to change or add elements to the project, are managed utilizing a change order tracking method, that continues to compare the original Schedule of Values to the projected overall project budget until your home construction is completed.

Step 3—Construction Documents





OUR APPROACH TO DESIGN, continued

FAST-TRACK PROJECTS

As a design-build firm, Knickerbocker Group brings the full spectrum of project delivery options to our clients, including Fast-Track projects, or projects that start in construction before the completion of the design phase. The primary drivers of any project are Quality, Cost and Time. It is important to understand the interplay of these three primary elements, and to recognize the limitations and tensions they place on a Fast-Track project.



In the triad that is formed by Quality, Cost, and Time (Schedule), only two can be realistically emphasized in the life of a project. At Knickerbocker Group, Quality is always a primary element. It is simply not something we are willing to compromise on. Therefore, an early assessment of project goals must prioritize either Schedule or Cost control. The prioritization of these last two elements of the triad will define the project path.

The most traditional construction project path emphasizes Cost control by prioritizing front end planning to inform a realistic project budget that can be established prior to the start of construction. On this project path, Schedule is no less important, but built into that schedule is a realistic amount of time for design, planning and pricing. Construction does not begin until there is enough design and project specifications to create solid budgets without major allowances that can be managed through standard contractual arrangements.



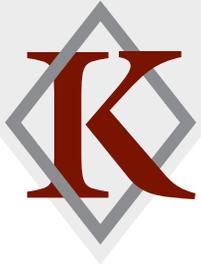
OUR APPROACH TO DESIGN, continued

FAST-TRACK PROJECTS

The Schedule-driven project path, or Fast-Track project, emphasizes delivery of a project within a given time frame, typically with a specific finish date. As a design-build firm, we have systemized the process for Fast-Track projects and are able to start construction while design is still underway. The designer works closely with the owner to make time-sensitive design decisions that allow construction to progress efficiently in the field. At the same time, the design and construction teams work together to develop the construction details as the design decisions are being made. This approach allows us to shorten the overall project duration and deliver quality in a shorter time-frame.

On this project path, cost controls are secondary in priority to Schedule but still vital to the project. We begin early on with a “control estimate”, based on the schematic or most current design and with appropriate cost assumptions. Moving forward, we utilize this original control estimate to measure project costs in a dynamic changing project environment, as design information is developed and issued to construction. An important implication of this approach is that the time needed to collect multiple bids for various trades or to fully price changes as they develop in design or in the field is most often not available. This means that budget information is typically lagging behind the on-site, active construction progress. This project path precludes solid, fixed pricing and necessitates reasonable cost allowances, contingencies and a willingness to trust that a strong project team is working together in the best interests of our client and the project.

Ultimately, our goal is to work with our clients to deliver the right project delivery method based on their overall schedule and budget.



OUR APPROACH TO DESIGN, continued

INTERIOR DESIGN

In addition to architecture and construction management, Knickerbocker Group offers interior design to complement the collaboration and partnership with our clients, thus ensuring that your home is not only beautiful and strong but also meets the functional, aesthetic, and emotional needs of you and your family.

Beginning at the planning (or schematic design) phase, we pair one of our interior designers with the project's lead architect. An interior designer will assist the architect with space planning and room layouts based on your desires for how you will move through your home and how you would like each space to look and make you feel. From the start, our interiors team will focus on your end goals, keeping in mind how furnishings and finishes will fit into your space, how window treatments will function, how traffic patterns will flow, i.e., with a focus on how you plan to live.

Our comprehensive interior design services offer flexibility and range in the level of project assistance. We can assist from the schematic design phase through to the finishing touches, including linens and tableware, or any scope of the project in between. Our interior designers are able to assist with millwork and cabinetry design, furniture layouts, color consultations, wall treatments, product selections for all interior fixtures and finishes, kitchen & bathroom design, furnishings, and window treatments.

Much like our architecture department, our interiors team offers our clients the flexibility to remain as involved or not as they wish to be in the design of their home. On one end of the spectrum, our designers are able to make all selections needed and present you with our recommendations in the form of one or more cohesive interior design packages for each room of your home. Alternatively, we are also thrilled to work with you as a partner throughout the design process. With the former, your designer is responsible for all of the research and 'legwork' in assembling the design recommendations, with your time invested being minimalized to as much or as little as you desire. With the latter, your designer would work with you as a partner in visiting showrooms and selecting products together. This allows you to have a hands-on, active approach in the research and decision-making through the design process. On an even simpler level, many of our clients prefer to do most of the legwork on their own, only engaging the designer as needed to brainstorm ideas, weigh in on design decisions, and document your approved selections for implementation. Our goal is to remain as flexible as possible to meet your personal and financial goals for the project.

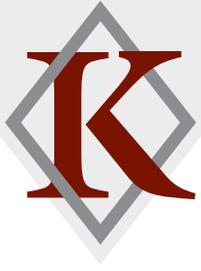


OUR APPROACH TO DESIGN, continued

INTERIOR DESIGN

In addition to interior design, Knickerbocker Group offers services encompassing furnishings design, procurement, and installation. By working on furnishings simultaneously through the design-build process, we are able to make certain the furnishings desired by our clients will properly fit into the home and the uses desired for each space are adequately addressed. This collaborative step helps to eliminate surprises when move in day happens.

With our furnishings services, we work on broad-spectrum furnishing layouts during the schematics phase. From there, we put together preliminary furnishings allowances allowing you to look at your project costs holistically. After your project is through the schematic phase, we then start the selection of specific furnishings and develop a design package for your review and approval. Once the design package has been finalized, the pricing phase will begin where our designers gather all the necessary costs associated with supplying and installing your furnishings. The final costs will then be presented to you in proposal form. Upon acceptance of the furnishings proposal, a procurement contract will be entered and ordering of furnishings will begin.



OUR APPROACH TO DESIGN, continued

TYPES OF INTERIOR DESIGN PROJECTS

As you may expect there are a variety of levels of involvement by our interiors team in Knickerbocker Group design-build projects. Three fundamental categories we frequently encounter are as follows:

1. | Complete Turnkey: One of our interior designers pairs with you and your architect from the start of the project. Your interior designer will offer assistance with interior architecture, product selection, kitchen & bathroom Design, and furnishings. We will work hand in hand with your architect and your construction team through the entire design-build process. At the completion of construction, our interiors team will take over the construction site and finish out your home with window treatments and furnishings installations. You will be able to walk into your home on move in day and do nothing except unpack your bags!
2. | Interior design without Furnishings: Our interiors team will supply you with all of the services laid out in project type 1, less the furnishings, procurement, and installation services. This would include selection, documentation, and assistance with implementation of all building-attached finishes (excluding decorative window treatments). Our interior design team's scope of work will end upon the completion of construction.
3. | Interior Design without Architecture and/or Construction: We also have many projects in which our interiors team is contracted independently of our architecture and/or construction services. On these projects, our interior designers are often pairing with an outside architect or construction firm or are functioning autonomously as the project lead and managing the project from start to finish. And finally at times we are contracted simply for renovation and decorating services for an existing home.



OUR APPROACH TO CONSTRUCTION MANAGEMENT

As custom builders for more than 35 years, Knickerbocker Group has focused on quality. To us, quality means building homes and spaces that are beautiful and comfortable, and meet our clients' programming needs and expectations. Perhaps more importantly, quality means building structures that perform well, stand the test of time, are low maintenance, and have a minimum impact on natural landscapes.

From a performance standpoint, a structure on the coast of Maine is subject to a particularly harsh environment that requires special attention to detail. Controlling the elements—water, air and thermal energy—is one of the primary functions any building must provide. Each of these elements presents its own challenges and as building materials and practices have changed and advanced, we have stayed on the cutting edge of building performance.

For each project, our construction managers will build a team of regional labor and subcontractors who are best suited to the job. With over 35 years of experience working in the area, we have a depth of resources to pull from. In addition to our construction management team, Knickerbocker Group has 5 carpenters on staff, and access to 40 more carpenters... All tried and trusted subcontractors who we have worked with on a regular basis. We have established relationships with 4 or 5 companies that specialize in each of the major trades: plumbing, heating and electrical. Our experience on large, schedule-driven projects has taught us the importance of having this depth of resources to pull from when needed.



OUR APPROACH TO CONSTRUCTION MANAGEMENT, *continued*

We recognize that pre-construction services: set the stage for the overall project by outlining goals and expectations for the entire team. Identify early action items in order to come out of the gate strong i.e. shop drawings. Bring early value from subcontractors and suppliers in regard to best possible products and approaches. Establish an informed budget and schedule goals for the project.

To that end, our construction managers are strongly committed to teamwork and communication. Our goal is to bring focus to the team and the project. We function as a single point of control, to assure accountability for all aspects of construction sequencing.

We see ourselves as solution-oriented members of a large team... One comprised of the owners, architects, and other stakeholders who hold the vision and the crews, subcontractors, and other vendors who make the dream come to life. We understand that things often change during construction of a project, and we believe our job as construction managers is to be flexible, to work with the team to find solutions, and to manage the operations and scheduling so that the crews in the field can have a singular focus: getting the job done.

