

Navigate Homes New Construction Addendum

Closing and Possession

Building a new home involves coordination with subcontractors, supply availability, and weather conditions, among other variables. For these reasons, the Seller cannot guarantee the Possession Date but will make reasonable efforts to meet it.

If the Possession Date cannot be met, the Seller will notify the Buyer(s) in writing as early as possible. Once the Seller has received a Certificate of Occupancy and fulfilled all obligations in the Purchase Agreement, the Buyer(s) are expected to complete the purchase on the agreed-upon Possession Date. If the Buyer(s) are unable or unwilling to close on that date, the Seller is not obligated to delay closing and may terminate the Purchase Agreement at its discretion.

If the Seller agrees to a delayed closing, the Buyer(s) shall pay the Seller \$25 per \$100,000 of the sales price (prorated) per day until closing. These funds shall be paid in advance to the Seller every seven days following the Possession Date listed in the Purchase Agreement. This fee is non-refundable and cannot be applied toward the purchase price. The Buyer(s) may not occupy or move possessions into the home prior to the completion of the purchase.

Access to the Property During Construction

For safety and liability reasons, Buyers are not permitted to enter or tour homes under construction unless accompanied by a Navigate Homes representative or their licensed real estate agent. Unauthorized access to the home during construction is strictly prohibited.

Selections and Changes

Timing is essential for delivering a new construction home on schedule, as the Seller coordinates with multiple subcontractors and vendors throughout the project.

When the Seller sets a deadline for selections, the Buyer(s) must meet that deadline. If selections are not made on time, the Seller will charge a delay fee of \$40 per \$100,000 of the sales price, prorated daily. If multiple selections are missed on the same day, only one daily fee will be assessed. In some cases, if selections are not made by the deadline, the Seller reserves the right to move forward with default finishes to maintain schedule.

The Buyer agrees that all materials, fixtures, finishes, and vendors are subject to availability. The Seller reserves the right to make substitutions for products, materials, or vendors as needed due to supply chain issues, discontinued items, or other unforeseen circumstances. Any substitution will be of equal or greater quality and consistent with the overall design intent of the home.

The Buyer acknowledges that mechanical rooms will not be finished and are excluded from any drywall, paint, or flooring work. The standard garage finish provided by the Seller includes drywall that is taped and mudded only. Any additional finishing, such as paint or texture, must be specifically agreed to in writing as part of the purchase agreement or a subsequent change order.

Electrical and Utility Placement

The Buyer may not request changes to the placement of electrical panels, conduit, wall boxes, meters, or service locations. These items must be placed according to utility service access, code requirements, and logistical considerations. Final placement is at the discretion of the Seller and utility provider.

Inspections

Buyer acknowledges that this is a newly constructed home that has been built in accordance with applicable building codes and inspected by the local authority. All required inspections have been completed or will be completed prior to closing. If the certificate of occupancy is not yet available at the time of closing, Seller may escrow sufficient funds to ensure any remaining municipal requirements are completed after closing. Due to the nature of construction schedules, certain items—such as landscaping, driveway sealing, or final inspections—may be completed post-closing. Buyer understands that these items will be finished in accordance with the escrow agreement and as required by the city.

Buyer further acknowledges that third-party inspections conducted at the Buyer's expense are permitted but shall not obligate the Seller to perform work beyond what is required by local code or included in the written purchase agreement. The Seller will not agree to additional work requested by inspectors that exceeds code or standard builder practices. Seller will only address issues that materially affect the home's structure, safety, or functionality. Cosmetic preferences, finish upgrades, or improvement suggestions will not be considered unless previously agreed to in writing.

Punchlist & Walk-Through

The Seller will notify the Buyer(s) of the date to conduct the final punchlist and walk-through. Cosmetic items (e.g., paint or drywall issues) should be marked with blue painter's tape at this time. The punchlist must be submitted as one combined list via email to the Seller's Agent, along with any relevant reports or photos. Text messages or texts with images will not be accepted.

Some homes include pre-painted trim, doors, and cabinets. Nail holes in these finishes will be filled with putty, but no additional coat of paint will be applied. Once nail holes are filled, no further finishing is performed. This meets NAHB standards for prefinished trim. Cosmetic standards will be evaluated based on the NAHB Residential Construction Performance Guidelines. A cosmetic issue must be visible from 6 feet away under normal lighting conditions to qualify as a defect. Minor imperfections that do not meet this standard are considered acceptable in new construction.

Items not included on the original punchlist will be addressed as part of the one-year warranty process, unless they affect the functionality of the home. Please note: The home may not be fully cleaned at the time of the walk-through. Final cleaning may occur as late as the night before or morning of possession.

Elevations

The Seller will make every reasonable effort to accommodate site-specific features requested by the Buyer, including but not limited to zero-entry designs, walkout basements, or daylight

windows. However, final grading and elevation details cannot be confirmed until the lot has been surveyed, and final site elevations are determined. As such, the Seller cannot guarantee the availability or feasibility of any elevation-related requests until that time. Buyer acknowledges that elevation outcomes are subject to topography, municipal requirements, drainage plans, and other factors outside of the Seller's control.

Community Disclosure: Buyer acknowledges that the home is located within a developing community. As such, construction activity may continue after closing, including but not limited to the construction of homes, roads, sidewalks, common areas, and utility infrastructure. These activities may result in noise, dust, and other temporary inconveniences. Seller makes no guarantees regarding the timing, completion, or nature of future development or the identity of future homeowners or builders. Buyer understands and accepts that community conditions will evolve over time as development progresses. The Buyer understands that homes with shared or common walls may transmit sound between units. While the builder uses materials and construction practices intended to reduce noise, complete soundproofing is not guaranteed.

Warranty

The Seller guarantees that all labor and workmanship shall be of good quality and warrants this workmanship for one (1) year following the Possession Date. Manufacturer and dealer warranties for appliances and equipment will be transferred to the Buyer(s) at closing.

The Buyer agrees to provide the Seller and its subcontractors reasonable access to the property after closing for the purpose of completing any outstanding items or performing warranty repairs. Access shall be coordinated in advance and occur during normal business hours unless otherwise agreed upon. The Buyer understands that timely access is necessary to complete work efficiently and within warranty timeframes.

This warranty does not cover:

- Natural variation in materials (e.g., wood grain, stone pattern, granite coloration)
- Expansion or contraction of materials due to changes in climate
- Weather-related wear or deterioration
- Changes caused by natural settling of the home
- Sod or landscaping

Buyer #1 Signature: _____ Date: _____

Buyer #2 Signature: _____ Date: _____

Seller Signature: _____ Date: _____