

## NEW CONSTRUCTION ADDENDUM

Whereas **TBD** (hereinafter the “Seller”) and **TBD** (hereinafter the “Purchaser”) entered into a written Residential Contract of Purchase dated **TBD** for the purchase of the property known as **TBD**. Now, therefore, the parties hereby agree that:

- 1. DEPOSIT:** The Deposit referenced in Section 4 of the Residential Contract of Purchase shall be a non-refundable deposit. This clause shall supersede all other contract language related to the Deposit.
- 2. SELECTIONS:** Interior Selections must be made within 1 weeks after signing the contract, or the Seller will make your selections for you. If there are any changes made after the selections have been submitted, there will be a Change Order Fee of \$100.00 paid at the time a change order is requested.
- 3. CONSTRUCTION CHANGES:** Aside from your Interior Selections, this contract finalizes the plans for your new home. Any changes made to the structure after today will be subject to a \$100.00 Change Order Fee in addition to the cost of the requested change. Not all changes are possible. Approved change order requests will delay estimated completion time. Seller shall maintain a list of Construction Changes approved by Purchaser and will provide an updated accounting for such changes to Purchaser for review upon Purchaser’s request. At settlement, Purchaser shall pay a payment to Seller, by check, for the balance of these changes and upgrades.
- 4. MODELS AND PLANS:** Model homes and advertisements, brochures, sales literature and other marketing materials (the “Marketing Materials”) are for display and marketing purposes only, to give Purchaser a general idea of the types of homes Seller constructs. Purchaser has viewed Marketing Material depictions as an example of the type of home they are purchasing. The Property, at completion, will be substantially similar to the Marketing Material Purchaser viewed, but may differ because of variations in dimensions, substitution of materials or minor changes in design. Settlement constitutes Purchaser’s unconditional acceptance of the Property as built without regard to differences between the Property and the Marketing Materials. PURCHASER ACKNOWLEDGES THEIR UNDERSTANDING THAT THE MODEL HOMES (THE FURNITURE, OPTIONAL AND DECORATIVE ITEMS, FENCING, LANDSCAPING, AND OTHER ITEMS DISPLAYED THEREIN) AND ALL MARKETING MATERIALS ARE SOLELY FOR DISPLAY AND MARKETING PURPOSES AND DOES NOT CONSTITUTE A WARRANTY OR REPRESENTATION FROM THE SELLER THAT THE PROPERTY WILL CONTAIN THOSE ITEMS OR THAT THE DIMENSIONS OF ROOMS IN THE STRUCTURE(S) WILL BE THE SAME.
- 5. SELLERS RIGHT TO ADAPT SITE CONDITIONS:** The shape of the lot and the contours and elevations of the land may require Seller to adapt the foundation, basement, porch, patio, walkway, driveway, and garage or other structure(s) to provide reasonable access and adequate drainage. Seller has the right to grade, excavate, fill, and/or to remove native trees, shrubs, and ground cover during the construction process.
- 6. SPECIFICATIONS:** The Seller reserves the right to make changes and modifications in materials, plans, and specifications without prior notice. Exterior landscaping may vary. The model home interior decorations, landscaping, fencing, and other amenities are for display only and are not a part of the package and are not for sale.
- 7. FLOOR PLAN:** Rendering and floor plans are artistic conception only and may vary from the final product to be built.

- 8. SQUARE FOOTAGE:** Purchaser is advised that representations relating to square footage and dimensions are approximate and are not warranted.
- 9. SEEDING:** Seller shall seed the yard one time only and is not responsible for reshaping and reseeding. Due to weather conditions, at Seller's option, the seeding and landscaping of houses completed during the months of November through February may be delayed until spring. No closing shall be delayed as a result of the lack of completion of said yard work.
- 10. PREFERRED LENDERS:** Purchaser has the right to select a lender for their financing of the purchase of the Property. To help facilitate a smooth and successful financing and closing process, Seller has identified a Preferred Lender. If Purchaser works with the preferred lender below and selects Seller's preferred settlement agent, Stewart Title.

  - Cindy Rader, PCB, 540-746-8819

The Preferred Lender will credit a free appraisal and reinspection fee to Purchaser's closing costs depending on the loan program and other lender terms.
- 11. APPRAISAL:** If the Contract is contingent on financing, Purchaser agrees to instruct the lender to order the appraisal within 15 days of contract ratification. Purchaser understands that based on the timing of construction, this may result in an additional appraisal fee to be paid by Purchaser to lender for the appraiser to visit the Property just prior to settlement to verify that construction has been completed. Appraisal can only be contingent upon the base price of the house. If house has been upgraded then Purchaser is responsible for bringing any difference in appraisal and contract price to closing if appraisal is above base price.
- 12. INSPECTION:** Purchaser may conduct a home inspection at Purchaser's expense within five days of having been notified that the Certificate of Occupancy has been issued. Seller agrees to remedy any issues identified by the inspector that are required by the building code(s) applicable to the property.
- 13. RADON:** Purchaser may conduct a radon test at Purchaser's expense within five days of having been notified that the Certificate of Occupancy has been issued. If the radon levels are 4.0 pCi/L or higher, Purchaser may elect to have Seller install a radon mitigation system at Purchaser's expense. Seller will obtain a written estimate for the radon mitigation, collect payment from Purchaser at settlement, and shall have the radon mitigation system installed on the earliest possible date based on the schedule of the radon mitigation specialist. Settlement shall not be delayed while waiting on the scheduled installation of the radon mitigation system.
- 14. UTILITIES:** To effect construction and test all systems, Seller shall connect certain utilities in its name. As of closing Seller will have utilities removed from its name and Purchaser shall assume all responsibility for utilities thereafter.
- 15. WALK-THROUGH:** Prior to Closing, Seller shall coordinate with Purchaser to have a final walk-through inspection of the property to identify any necessary repairs or incomplete "punch-list" items to be corrected or completed within Thirty calendar days after Closing.
- 16. CONSTRUCTION TIMING:** Construction will begin upon issuance of the Building Permit and will be completed on or about the Settlement Date as outlined in the Contract. Purchaser is aware that delays caused by events beyond the control of Seller such as: municipal approvals and permits; weather; availability of labor, materials and craftsmen; acts of God; terrorism; everything unanticipated and unforeseen; and anything of occurrence not within the contemplation of the parties at time of ratification are not included in the calculation

of time estimates. Delays caused by such events do not constitute abandonment or constitute a default on Seller's part. Seller or Seller's representative shall notify the Purchaser(s) of the anticipated completion date approximately 30 calendar days prior to closing.

- 17. SETTLEMENT:** Purchaser agrees to make settlement within ten (10) days after a certificate of occupancy has been issued. If Purchaser fails to do this, they shall be considered to be in default, unless otherwise agreed in writing by the Seller.
- 18. COMPLETION OF CONSTRUCTION:** Notwithstanding any other provisions of this Contract, or any addenda or modification hereto to the contrary, and assuming no defaults by Purchaser, Seller acknowledges an absolute obligation to deliver the Property no later than 60 days from the settlement date on this Contract. If Seller fails to do so, except for reasons outside Seller's control or as a result of the action or inaction of a third party whose actions are necessary to the performance of Seller's obligations, Purchaser may avail themselves of any and all remedies, in law or equity, including specific performance. Any projected completion dates estimated by Seller are based upon local conditions and capabilities of Seller on the date of the estimate and are subject to change. Completion may be delayed by bad weather, shortages of materials or labor, acts of God or other events beyond the control of Seller. SELLER WILL NOTIFY PURCHASER OF AN UPDATED ESTIMATED CLOSING DATE AT THE COMPLETION OF DRYWALL. SELLER SHALL NOT BE LIABLE TO PURCHASER FOR ANY DELAYS IN COMPLETION AND WILL NOT REIMBURSE PURCHASER FOR RENTAL, STORAGE, MOVING, INCREASE IN THE COSTS OR INTEREST RATE FOR THE LOAN OR ANY OTHER EXPENSE ARISING FROM FAILURE OF SELLER TO ACHIEVE THE UPDATED ESTIMATED CLOSING DATE. PURCHASER IS RESPONSIBLE FOR THE PROMPT AND TIMELY DELIVERY OF INFORMATION AND SELECTIONS NECESSARY FOR UNINTERRUPTED CONSTRUCTION OF THE PROPERTY. IF PURCHASER DOES NOT PROVIDE INFORMATION OR SELECTIONS IN A PROMPT AND TIMELY MANNER, SELLER SHALL HAVE THE RIGHT TO MAKE DECISIONS, SELECTIONS OR COMMITMENTS NECESSARY TO ALLOW CONSTRUCTION TO CONTINUE.
- 19. TITLE:** The parties hereby expressly agree that no title, legal or equitable, shall pass to the Purchaser until settlement. This contract is not assignable without Seller's written consent.
- 20. WELL AND SEPTIC:** The Property is served by public water and sewer, and Section 17 of the Contract is inapplicable.
- 21. LEAD-BASED PAINT INSPECTION:** Section 24 of the Contract is deleted as inapplicable.
- 22. SCHOOL DISTRICTS:** Purchaser understands that the current school districts are not guaranteed and may be changed at any time. The Purchaser is advised to contact the appropriate board of education if they have any questions regarding the school system.
- 23. MATERIALS, SUBCONTRACTORS, SAFETY:** Due to the Builders arrangements with suppliers, subcontractors, and insurance underwriters, the customer cannot substitute or supply their own materials or fixtures (i.e. lighting fixtures, plumbing fixtures, flooring materials, etc.). Due to the inherent hazards present at a construction site, the customer is not allowed to perform any work in the house (i.e. electrical, insulation, carpeting, etc.). Seller or Seller's representative shall supervise all phases of construction. Purchaser agrees not to interfere in any way with said supervision and agrees not to attempt to direct the work of any of the Seller's employees, suppliers, or contractors. For the safety of all parties, Purchaser agrees not to walk around the

construction site unattended. To tour the construction site, Purchaser will call Purchaser's sales representative to arrange a meeting after construction hours (5:00 pm). Purchaser acknowledges it is reasonable to expect there will be numerous health hazards present during the construction of a new home, some of which may cause serious injury or even death. Purchaser agrees to assume all risks of injury or damage to Purchaser or any other person or property as a result of any visit to the construction site. Purchaser further agrees to indemnify, release, and hold harmless Seller and its owners, directors, officers, employees, and agents from any such injury or damage.

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**SELLER**

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**DATE**

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**PURCHASER**

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**DATE**

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**PURCHASER**

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**DATE**