

A photograph of a modern, multi-story house at dusk. The house has white horizontal siding, dark grey or black window frames, and a prominent dark grey balcony or overhang. The interior lights are on, and the sky is a mix of purple, pink, and blue. The house is surrounded by greenery and a lawn.

VIVID VISION 2024

SNAPSHOT

It's December 31, 2024, and we at MN Custom Homes are well into our journey as we transform from a traditional construction company into a **Construction and Technology** company. MN is a force of disruption in the construction industry, blending the old with the new as we leverage our tried and true construction capabilities and enhance them with the application and development of future technologies.

MN's vision is fueled by what we **prioritize** the most: **People and Progress**. Our company champions **people** by investing in employee development and wellbeing, which is made possible through our visionary learning and development programs. We continually push boundaries in the name of **progress** as we make leaps in innovation and push ourselves and each other to be better tomorrow than we are today.



CULTURE

When it comes to people, MN is all-in with its bet on culture. MN has created a culture that offers an unparalleled employee experience. We believe that continuously investing in our people and our culture makes everything we do more meaningful, and a lot more fun. Additionally, MN drives personal and professional development through its trailblazing training program, **MN University**.

We show up to work with enthusiasm fueled by our deep trust and personal connection with one another. We take care of each other like family and safeguard the atmosphere to ensure a healthy environment for everyone. We are a *team*, and we like it that way. Through the principles of servant leadership, the practice of putting others' needs above our own, the celebration of autonomy, and an unwavering commitment to fun, we sustain a radically unique culture that motivates us to do our best work.

Managers are critical to employee retention and performance. Everyone at MN has an unshakable sense of encouragement, engagement, and support from their manager, who energizes them through personal and professional goals and breakthroughs. We nourish the development of our future leaders and provide them with constructive feedback that helps to transform the way they lead others. We celebrate exceptional accomplishments and the achievement of audacious goals. Managers are aware of every one of their team members' individual life goals, and we collectively recognize those employees' accomplishments on our **Wall of Wins**.

Diversity, Equity & Inclusion are central to the culture at MN and woven into the fabric of everything we do. Metrics have been established that allow our company to pursue DEI initiatives across the organization, with a strong focus on progress and transparency. We monitor our performance in diversity and inclusion so each aspect can be continually improved to increase the depth, range, and richness of our culture so every member of the team feels seen, heard, and valued for all they bring. We are fueled by the ever-increasing viewpoints of our diverse workforce that continue to unlock untold value.

Every employee feels fulfilled, appreciated, and supported as they work closely with their manager to continuously communicate and track their progress toward work and life goals.

We are constantly upskilling and preparing ourselves for the "work of the future." The flagship program, **MN University**, has evolved into training every employee for well over 100 hours each year. New hires dive in with three weeks of onboarding, during which time they gain insight into our culture and the wide variety of functions MN performs.

Feedback is a central theme for improvement, and we conduct **Continual Performance Management ("CPM")** to give ourselves extensive and powerful insights into how MN, employees, managers, and departments operate.

The best investment that we can make is in our people, and that is why we invest heavily in their compensation and work environment. Our compensation philosophy is focused on providing a competitive base wage and investing deeply in high performers who model our company values. MN doesn't stop there, as **work-life balance** is central to our focus on enhancing employees' lives. The average MN employee works a maximum of 40 hours per week and is not expected to work over weekends, past certain hours, or during vacations or holidays. Our holistic approach to putting our people first goes beyond traditional healthcare benefits to make a substantial investment into cutting-edge **Preventative Healthcare**, which helps stop our people from getting sick in the first place.

Employee metrics are off the charts, including engagement, happiness, learning, and career path, just to name a few. Employees are provided with the resources and education to leverage their individual potential and achieve their personal and professional goals. Our employee base raves about their time here, saying things like, "I enjoy

each and every opportunity I get to learn and grow. Now I understand where my career is headed! My coworkers are genuinely supportive and passionate about what we do. Being part of this team is unlike anything I could have imagined."

People were not put on this planet to work excessive hours and, at best, tolerate their work. This is not acceptable at MN, where 100% of our people love their careers and enjoy the opportunity to pursue other things outside of work. We work smarter to increase productivity while at the same time limiting hours so that we may bring a sustainable work-life balance to our entire team.

Fun is one serious matter at MN Custom Homes. Our list of team building activities is ever-growing and includes the **MN Olympics**, where everyone competes in team events each July, in-office celebrations of 15+ holidays each year, summer BBQs at the office, and summer and winter parties that we invite family members to. Fun doesn't just happen; *we commit the time, people, and financing to make it happen!*



LEADERSHIP

The team at MN is built differently, as we embrace several non-traditional concepts, such as servant leadership, high levels of employee autonomy, and a decentralized leadership hierarchy. MN is led by co-founders **Shaun McFadden** and **Joe Naeseth**, who together create the vision that drives our company (a “Vivid Vision”) and cultivate our unique culture while delivering on that vision through operational excellence and innovation.

We focus on growing great **Leaders** and **Managers**, for it’s on their shoulders that MN thrives and evolves. Our leadership team is as diverse as they are skilled. MN uses transparent metrics to measure success by establishing skills and capability benchmarks. This fuels our culture of **Servant Leadership**, where managers are responsible for supporting the people in their charge, not the other way around. MN supports and develops leadership skills through an established continuous performance management program. Due to their importance, only those that can live up to MN’s **Manager Standards** are eligible to fulfill the role. These standards strive to promote the success of manager development, adding to the rich culture of our company.



CORE BUSINESS ACTIVITIES

We are the leading authority on **In-fill Single Family Home** production and have positioned ourselves as an emerging disruptive tech company with a successful physical product. Due to our product's success and our digital transformation's effectiveness, we are ready to offer our technology solutions to an entirely new customer base.

We have positioned ourselves to be early adopters of **emerging technologies**, including artificial intelligence, robotics, data analytics, virtual/augmented reality, autonomous vehicles, and 3D printing. Our fleet of autonomous vehicles transports our Laborers, PMs, and equipment between job sites safely and efficiently, cutting down on personal transportation costs and allowing for employee productivity during transport. We use robots that print building layouts on the floor of construction sites, so workers know where—and where not—to build.

Internally developed proprietary software allows our **Land Acquisition Team** to always stay ahead of schedule with the lots needed to fuel our construction operations. Consistently finding new lots allows us to reserve the best for MN operations and funnel anything extra into the successful wholesale program. As a point of pride, Land Acquisition is the starting point of a rapid and efficient inventory turn process that has achieved the major goal of fewer than 12 months from land purchase to homebuyer close.

MN has established an internal **Architecture department** with expertise no other builder is able to match. Their crowning achievement, besides being employed at MN, is an **American Institute of Architects (AIA)** award for one of their inspired designs, as a part of the library of over 200 unique MN blueprints. Thanks to this team of architects, MN presale buyers are able to tour homes virtually, making the decision to purchase without ever walking into a home.

The chance to work with MN's **Interior Design Team** has become one of the biggest selling points for our customers. They delight in working with our compelling and friendly design team, creating a place to live that's truly their own. Even now, the team is preparing for their next large project, the opening of an MN-owned and operated Design Center, a showroom and working space for homebuyers and designers to collaborate on creating an institution for modern design practices and styles. If that wasn't enough, the team is celebrated nationally for winning the Luxe RED award.



The **Procurement Team** wields immense buying power, keeping our projects running on time and on budget, with an extraordinary group of subcontractors and vendors. Part of our team's unique draw is the MN Procurement Values, a contract that all partners sign, aligning our values so that mutual respect and accountability are at the center of our dealings. We're developing strong bonds with our partners; MN is the preferred builder for local subcontractors and vendors, as we continually help them grow their firms and achieve success.

By embracing innovation, we make radical breakthroughs with the timing of our homes. We average under five months to complete the entire pre-construction lifecycle from land feasibility approval through permit approval. We utilize **technology** to coordinate with subcontractors and vendors in a way that our industry has not seen before, the result of which is operational excellence in both project quality and timelines. These changes make our ability to monitor and enforce safety on job sites exponentially easier.

The centerpiece of MN's production line, the **Construction Team**, has accomplished the monumental achievement of a median seven-month build time. Each day Project Managers and Laborers work to build the highest quality homes available in the PNW, using their regimented process-based approach. A major component of this success is thanks to the **MN Operations App**, a one-stop shop for change orders, schedules, labor lists, and every other piece of information our team needs to complete projects.

The **Warranty Team** guarantees that clients' excitement doesn't end with the purchase of their home. Our team of concierges and service technicians provide an experience to clients that competitors can't match. This is all thanks to the innovative **MN Home App**, a powerful tool for homeowners to use for reporting issues and quickly scheduling repairs with ease under their 10-year warranty. Clients can even access MN's curated library of "Homeowner How-To" videos through the app.



We've elevated from having happy and satisfied customers to truly having **Raving Fans**. Presale clients delight in hand-selecting personalized elements of their new home while leaving the heavy lifting to us. Our **Architecture, Procurement, and Interior Design Teams** consistently make innovative design breakthroughs, which "WOW" every person who sees an MN Home. If that wasn't enough, our post-sales experience is unparalleled, and our **MN Concierge** program provides vital services to homeowners that entrench them as MN brand loyalists. Our blend of personal interaction and technology creates a customer experience second to none, addressing any home needs including upgrades.

The **Recruiting Team** seamlessly fills our open position from the mile-long line of candidates who want to work for us. We hire candidates that first fit our values and culture while increasing our talent density.

Our internal marketing has become just as important as our external. While our **Marketing Team** constantly pushes out bold and uncommon social media and video content, they also orchestrate internal podcasts to inform and inspire employees and stakeholders. Our internal communications are further enhanced by the uniquely informative all-hands meetings, where managers regularly report on the status of their areas of the organization with radical transparency. The result is that every employee at MN has a good understanding of each area of the company.

Our data analytics team, better known as our **Moneyball Team**, rivals any major league baseball “Moneyball” team. It is on the cutting-edge with its market predictions, readiness, and contingency planning work with our strategy team to maximize our opportunities in anticipation of real estate cycles and other economic changes. Every department critically outdistances itself from like-kind departments of competitors, largely due to having access to exceptionally better data and analytics. Our Moneyball Team establishes real-time information on metrics for all areas of the company, including projects, teams, initiatives, departments, etc.

MN has transformed into a process-driven organization. Formerly relying on tribal knowledge and

employee expertise, we are now an industry-leading process thought leader. By standardizing all processes through our robust Business Process Management system, MN has created *the* playbook that is used to expand to new markets, new states, and even new countries. This process-oriented mindset has become a way of life at MN, as everyone understands how their work fits into the grand scheme of building such amazing homes.

The result of the previous passage is this: **We’ve created a home that sells itself.** We’ve proven we have built the best mousetrap in the Pacific Northwest and are ready to launch into our first new market outside of the PNW in 2025.

OFFICES

When you walk into our corporate headquarters or one of the several remote offices, you feel just like you would when walking into one of our **luxurious, distinctive, innovative, enduring** homes, which simply resonate with the **quality** and **integrity** that sets us apart. Our Bellevue headquarters feels modern and open, with the raw beauty of nature. Satellite offices throughout the Puget Sound reflect our singular aesthetic and live as an extension of our headquarters. We have a hybrid work model, offering employees the flexibility to work where they feel most inspired and perform their best. The aroma of locally roasted coffee beans travels from our kitchen, which we stock with nourishing snacks and refreshing beverages. Festive decor refreshes our walls throughout the year and even invites interaction, from March Madness to April Fools and Pi Day. Colleagues pull out their phones to snap pics of coyotes, deer, and bobcats making appearances outside the windows; we look at each other, speechless with the realization of how lucky we are to be here.





MEDIA & AWARDS

We aren't secretive about our accomplishments; instead, we proudly let the world know what we've been up to. **Builder Magazine** features us on their cover, while a wave of publications is lining up to cover our story. MN's comfort and pride in being abnormal sets us in a league of our own; even our **rivals say they can't compete with us!** Instead of being constrained by legacy and playing by the rules of the past, we relentlessly engage in innovation, for today and into the future. The media sings our praises for the boldness with which we embrace the unknown; time and again, we harness the enchantment of new terrain and rise to the challenge of creating something unlike anything our industry has seen before.

FINANCIAL EXCELLENCE

We are proud that 100% of the ownership of the company remains in the hands of our original founders. Operations drive our exceptional profitability and healthy balance sheet. Banks prefer us over all other competitors because we anticipate what is coming next, are honest and transparent, and most importantly, we get results.

The Finance and Accounting team is every other department's favorite partner, celebrated for its exceptional proactive customer service approach and the best-in-class processes. The team utilizes a blend of technology, expertise, and automation to get work done faster and better, so everyone can thrive. Masters of their craft, MN's accounting team epitomizes the saying, "When you do things right, people won't be sure you've done anything at all." Their relentless hard work allows MN to operate without disruption while providing solutions, support, and timely reporting that drives decision making at the highest levels.

COMMUNITY INVOLVEMENT

"I hope MN builds in our neighborhood!" is a common sentiment we hear from community advocates adjacent to the areas where we build. Due to our proactive neighborhood outreach, neighbors all over the region welcome our presence. We're proud to upend the narrative of residential developers in the Puget Sound.

We are committed to doing more for our communities each and every year. We continue our program to donate 100% of profits from one of our homes to **Jubilee Reach**. Thanks in large part to our contribution, they provide before and after-school daycare, empathetic counselors for youth, suicide prevention, and other services as needs shift amongst local community members. Through our robust **Plant-A-Tree** program, we plant ten trees—one locally, two in the county, three in the state, and four in the country—for every single tree we remove during our build process.

Employees have the opportunity to present new ideas and opportunities to MN for support. We have a streamlined process for people to submit ideas to make sure they're heard and considered. Because of this, we'll continue to build, expand, and contribute to the communities where we work and live.

