

HC HOMES — Lexington at Gig Harbor
BUILDER'S ADDENDUM A-1

The following is made part of the Purchase and Sale Agreement dated _____, 2015. This Agreement covers the purchase and sale of the property described as Lot ____ according to plat recorded under auditor's file number _____, in Pierce County, Washington. Plan _____, between HC HOMES, as Builder/Seller and _____ as Purchaser.

- I. The Seller's TITLE INSURANCE will go through Fidelity National Title — Gig Harbor, WA. Jill Roberts- 5201 Olympic Dr. NW, Suite 170 Gig Harbor, WA 98335, Phone 253-851-1601, Fax — 253-851-1656. Purchaser has the choice of using any Title Insurance company. In the event that another Title Insurance company is used, Purchaser and Seller agree to have a split Title.
2. Seller has elected to order CLOSING/ESCROW through Fidelity National Title - Gig Harbor, WA. Jill Roberts —5201 Olympic Dr NW, Suite 170 Gig Harbor, WA 98335, phone 253-851-1601 — Fax 253-851-1656. Purchaser is aware that the Seller receives a Builder's discount rate on the escrow fee. Builder's discount does not affect Buyer's normal competitive rate.
3. **Standard Form Owner's Policy of Title Insurance.** Notwithstanding the "Title Insurance" Clause in the Agreement. Seller authorizes Buyer's lender or Closing Agent. At Seller's expense, to apply for a standard form Owner's Policy of Title Insurance (ALTA 1992 or equivalent). Together with homeowner's additional protection and inflation protection endorsements if available at no additional cost, from the Title Insurance Company rather than the Homeowner's Policy of Title Insurance.
4. **Earnest Money** is a minimum of \$3000 on existing inventory and \$5000 on all presales. Earnest Money shall be paid to Fidelity. Earnest Money is considered a non-refundable construction deposit and Fidelity shall release earnest money to HC Homes upon removal of the financing contingency or 30 days after Mutual Acceptance, whichever is first. Seller will credit earnest money back to buyer at the time of closing.
5. **Removal of Contingencies:** All contingencies expire and are considered waived within 30 days of mutual acceptance unless otherwise agreed in writing.
6. **The completion date** is an estimate only. COMPLETION is defined as when construction is substantially complete and a CERTIFICATE OF OCCUPANCY is issued. Any completion date contained in this agreement or communicated to Purchaser by Seller or Seller's Agent is the best estimate of when the new home will be completed and in no way is a guarantee. The Closing Date in this agreement shall be the termination date unless mutually extended. If construction is not complete prior to the closing date, automatic 30 day extension if not completed by date specified.

7. Approved Lender: In order to maintain the current low pricing for the homes at Lexington and for Purchaser to be entitled to receive any buyer closing cost assistance incentive at the closing of this agreement, Purchaser agrees that they will apply for financing within five (5) days after mutual acceptance of the agreement through one of the Seller’s approved premium lenders which include the following individuals/companies:

Chris Johnston, Community One Financial: Cell 253-229-2562/Office 253-770-2282 Email: cjohnston@CommunityOneOnline.com

If Purchaser elects to make application with any alternate lender, they will still be required to get pre-qualified from one of the above approved lenders but, in such event, they will receive no buyer bonus or closing cost assistance, at all, from the seller at closing then being offered by seller. This supersedes NWMLS Finance Contingency form 22A

Seller shall pay up to a \$_____ Buyer Bonus which shall be applied to buyers loan(s) and settlement costs.

Buyer may not use or apply any portion of any closing cost bonus or credit or special incentive or promotion offered, from time to time, by seller toward the payment of any of buyers selected home upgrades or options and only for allowable closing costs including, but not limited to escrow fees and allowables. _____

Purchasers initials

Sellers Initials

8. In the event that the upgrades are not fully used by the date stated in this agreement, the unused portions are surrendered back to the seller & are no longer redeemable.

9. Builder is not responsible for expiration of purchaser's loan commitment, penalties, loan fees, or any other fee or loss due to the estimated completion date not being met. PURCHASER IS ADVISED TO INSURE THAT LENDER AND ANY OTHER INTERESTED PARTY IS MADE AWARE OF THIS AGREEMENT.

10. The buyer agrees to close within 3 days of the final building inspection or the buyer will agree to pay HC Homes \$150 per day until closing.

Initials:

Purchaser Purchaser

Initials:

Seller

11. Any lender choosing to participate in financing of a home built by HC HOMES will not charge a loan processing fee, document prep fee or underwriting fee to either Buyer or Seller. Seller will not pay any fee of any nature to purchaser's lender unless expressly agreed in this agreement. _____

17. In the event that the purchase price is raised for upgrades, to cover closing costs, etc. commission will be based on the base price only, and there will be an extra 5% added for the increased amount only.
18. Purchaser acknowledges that the only appliances that come standard in the purchase of the home are Kitchen, stove/range, dishwasher, and microwave. All other appliances will have an additional cost to the price of the home.
19. Builder has sole discretion as to location of home on lot. Many factors and considerations dictate that the builder has the responsibility and authority to make that decision.
20. Buyer to review and approve all lot corners and lot square footages to own satisfaction. This will not be reason to terminate the transaction.
21. Plans, drawings, specifications and design materials shall remain the sole property of the builder and will not be available to purchaser.

Initials:

Purchaser

Purchaser

Seller

22. All questions regarding the new home shall be submitted through Seddon Marketing to the Builder and only written responses shall be relied upon. Agents, Subcontractors, and Field Superintendents are not authorized to make representations for the Builder and the Purchaser is cautioned not to make verbal inquiries or rely on any verbal representations. All questions will be responded to within 48 hours.

23. At Sellers sole and exclusive discretion, in the event of a dispute, of any kind, regarding this transaction Buyer will agree to rescind this Purchase and Sale Agreement and to accept the Earnest Money back as their sole and exclusive remedy.

24. Insulation: Federal Trade Commission Regulations require the following information to be disclosed:

Wall Insulation: Fiberglass Batt- 5 'A" thickness-Washington Energy Code R-49

Ceiling Insulation: Cellulose- 9 'A" thickness- Washington Energy Code R-21

Floor Insulation: Fiberglass Batt- 5 1/2 "thickness-Washington Energy Code R-30

25. Disclosure Statement: Effective January 1, 1995, the Seller of residential real property within the state of Washington is required by RCW 64.06 to disclose the condition of property in writing within five (5) days of mutual acceptance of the Purchase and Sale Agreement. Since this agreement involves the purchase and sale of

Buyer understands that some features on model are not standard and relies on no verbal representation.

31. General Provisions: Purchaser understands that Seller accepts no responsibility for rent. Storage, or any other expenses related to the Purchaser's moving into the home. Purchaser agrees to notify utilities companies (gas, water, sewer, electricity, etc.) and make necessary arrangements to transfer billings effective as of the date of closing or possession, whichever comes first. Seller shall assign Purchaser. At closing, all warranties applicable to equipment installed on the premises. The buyer acknowledges that the property may have easements and accepts this at the time of signing this agreement.

HC HOMES _____

Purchaser _____

Purchaser _____

This Agreement shall supersede and prevail in any conflict between the standard Purchase and Sale Agreement from which this is attached. Changes to the standard form of this addendum shall prevail, provided they are initialed by both parties.

32. Homeowner's Association & Dues: It is understood that all owners of lots within Lexington at Gig Harbor will become members of the Lexington Homeowner's Association, a non-profit corporation organized and existing under the laws of the State of Washington. This Association will provide for the assessment and collection of a one-time reimbursement assessment of \$1,000.00. At closing, which will pay to the Declarant Developer of the Property (Lexington) and to Seller directly to partially reimburse it for expenses associated with certain improvements installed by said Declarant and Developer on behalf of the Association. The Monthly dues of the Association for are in the amount of approximately \$65.00 which will be prorated at closing. In addition to the payment of the prorated first Annual Assessment at closing, Purchaser shall pay to the Association the amount of TBD as a contribution to the working capital of the Association.

HC HOMES

Purchaser

Purchaser

LIMITED WARRANTY

The contractor shall be responsible for all construction means, methods and sequences. The contractor will install materials specified in the contract. Where the contract does not call for a specific grade or specification, the contractor will install materials that are new and conform to industry practice. The contractor is not responsible for the suitability of function of materials specified by the customer. Contractor is not responsible for the safeness or function of design(s) furnished by the customer. The contractor is not responsible for property damage, or the consequences thereof, or personal injury, of the consequences thereof caused by chemical, biological or toxic agents or elements that may be part of any building material utilized in construction. The contractor will not utilize any building material known to the contractor to be directly toxic or harmful to persons of the environment.

LIMITED WARRANTY

- A. The contractor warrants that all labor, materials and taxes will be paid for, and there will be no potential lien claimants upon the completion of the work and final payment by the customer. All work will be performed in a commercially reasonable manner and will be performed to industry standards or better. The contractor will promptly return to the project and repair or replace, as necessary, any defect in workmanship at the contractor's sole expense. The contractor's warranty is for a period of 12 months from the date of closing and thereafter expires. Any warranty claim of the customer shall accrue only during this 12 month period. Any warranty claim or any other cause of action arising under the terms of this agreement, including the warranty, must be filed in a court of competent jurisdiction within four (4) months of the expiration of the warranty. Any unresolved, unasserted or undiscovered claim or cause of action that is not filed within (4) months from the expiration of this warranty is waived. Warranty work performed by the contractor does not extend the warranty. The warranty is void if a person or firm other than this contractor performs or re-performs any work within the scope of this agreement. The contractor is not responsible for consequential damages. This warranty is not transferable. THIS WARRANTY IS GIVEN IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTY OTHERWISE PROVIDED UNDER THE LAWS OF WASHINGTON. INCLUDING THE WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY.
- B. Manufactured or consumer products such as roofing materials, appliances, Hardware. Windows, heating and mechanical systems, fixtures, etc. are not separately warranted by the contractor. In the event that the customer encounters a defect in a manufactured or supplied product, the contractor shall assist the customer in securing the repair or replacement of these products pursuant to the particular manufacturer's or distributor's warranty.

Buyer's Signature

Date

Buyer's Signature

Date

Seller's Signature

Date

Purchase & Sales Agreement Addendum
FORMPSA-Addendum

Address of Subject Home: _____

1. **The HBW Warranty.** At or about close of escrow, Seller will purchase for Homebuyer(s) an HBW Warranty from Home Buyers Warranty Corporation. The HBW Warranty is a ten-year, new home warranty providing coverage for certain construction defects in the subject home. As consideration for the HBW Warranty, Homebuyer(s) agrees to the provisions of this Addendum, which supersede any different or inconsistent provisions in the Purchase Contract. Homebuyer(s) represents that Homebuyer(s) has been furnished with a copy of the HBW Warranty and has had an opportunity to read and understand it.

_____ Date: _____	_____ Date: _____
Homebuyer	Seller
_____ Date: _____	Title: _____
Homebuyer	

2. **ARBITRATION AGREEMENT.** Any and all post-closing claims, disputes and controversies between Seller and Homebuyer concerning defective construction of the Home or the real property on which it is located shall be settled by arbitration. Any person in contractual privity with Seller whom Homebuyer contends is responsible for any construction defect in the Home shall be entitled to enforce this arbitration agreement. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction.

The arbitration shall be conducted by the American Arbitration Association, Construction Arbitration Services, Inc., or DeMars & Associates, Ltd. The choice of arbitration service shall be that of the claimant. The arbitration shall be conducted pursuant to the applicable rules of the arbitration service selected. If for any reason this method for selecting an arbitration service cannot be followed, the parties to the arbitration shall mutually select an arbitration service.

The parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provision of the Federal Arbitration Act (9 U.S.C. § 1, et seq.), to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule.

_____ Date: _____	_____ Date: _____
Homebuyer	Seller
_____ Date: _____	Title: _____
Homebuyer	

*IMPORTANT: * The information contained herein is intended to be used solely as a guideline. Attorney review is strongly recommended before using this document in a contract. Network Adjusters, Inc. is not responsible for the use of any language used in full or in part from this sample document. The Builders attorney must verify that any changes to the Builders legal documents are appropriate for the Builders circumstances and the pertinent state law.*